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"Half-starved teachers and factory workers voted for Yeltsin, not because they were scared of the Communists, but because for hundreds of years such people in Russia have had instilled in them a love of the authorities—any authorities. July 3 marked a historic triumph for social apathy, for the traditional love of bosses and fear of freedom, for conformism, and for an authoritarian political culture."

AMBASSADOR UNIVERSITY

OCT 09 1996 Russia Chooses—and Loses

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BORIS KAGARLITSKY

When the Communist Party of the Russian Federation won the elections to the Duma in December 1995, few people doubted that President Boris Yeltsin's days in power were numbered. With the approach of the presidential elections this June came intimations of catastrophe, and an intensifying climate of nervousness. Throughout all Russian history there had never been a case in which a functioning government had peacefully handed over power following an opposition victory. The opposition leaders aspiring to take over the Kremlin were no less conscious of this than the people holding office there.

During the final months before the June 16 elections, the government concentrated on mitigating the social crisis in Russia and ensuring the suspension, if not the end, of military actions in Chechnya. In late May the government made unprecedented efforts to halt the fighting. A truce was reached after a sensational journey to the Kremlin by Chechen insurgent President Zelimkhan Yandarbiyev. The protracted and ineffective talks that followed showed that a real settlement was still a long way off, but the desired short-term political effect was achieved.

The Kremlin was justifiably afraid that the insurgents would take advantage of a truce to strengthen their position. But the Kremlin's problem in Chechnya has less to do with the military situation than with the people Moscow has put in power in Grozny. For Doku Zavgayev, the head of the pro-Moscow Chechen government, a peaceful solution would mean not only political catastrophe but financial ruin as well. Zavgayev is linked to Prime Minister Viktor Chernomyrdin through their shared stake in Gazprom, the fuel and energy complex, and one might expect the pro-Moscow Grozny administration to use this link to construct a strong position for itself. Despite the impression created by the media, Chernomyrdin is not a "dove." Although the prime minister dislikes violence, Kremlin factions with an interest in seeing a hard line pursued in Chechnya operate through him.

POLITICAL CROSSDRESSING

However badly things were going for the regime, the problems faced by the opposition were even more intractable. The misfortunes suffered during the summer by the Communist Party of the Russian Federation were the predictable result of the policies the CPRF had followed the previous two years. In place of a new ideology the party offered voters a mishmash of Stalinism, social democracy, environmentalism, populism, Marxism, and Orthodox Christianity. But if pluralism ruled in the heads of the party leaders, there was no pluralism in the party's structures or organizational practices.

BORIS KAGARLITSKY is a Moscow sociologist and political commentator. Arrested by the KGB in 1982 for his membership in a dissident socialist group, he was elected in 1990 to the Moscow City Council, where he remained a deputy until the council was dissolved in 1993. His latest book is *Restoration in Russia: Why Capitalism Failed* (New York: Verso, 1995). This article was translated from the Russian by Renfrey Clarke.

Communist Party leaders rejected the idea of a broad, left-democratic bloc that could attract the support of wavering voters. Instead, they formed a "popular patriotic bloc" with small nationalist organizations and Stalinist groups. The effect was simply to repel voters. For all practical purposes the CPRF simply abstained from mounting a serious effort to win voter support in Moscow and St. Petersburg. The party even decided not to run its own candidate for mayor of Moscow. The result was that the incumbent, Yuri Luzhkov, who is closely allied with Yeltsin, was reelected with 90 percent of the vote—a tally that included many Communists.

Lacking any idea about how to work with the socioeconomic groups that do not share traditional communist values, CPRF leaders concluded that these groups could not exert a strong influence on the election results. CPRF propaganda tried to convince them of the party's moderation and up-to-date character, but it had little effect.

Trying to prove their "respectability," the Communist leaders openly borrowed the government's ideas and style. At the same time the government, observing the growing strength of the Communist Party, studiously adopted its ideas and rhetoric. Communist presidential candidate Gennadi Zyuganov stopped criticizing the war in Chechnya while Yeltsin came out with more attacks on NATO. The Communists sought to prove their reverence for private property while spokespeople for the Yeltsin regime stated that there was no reason to be afraid of nationalization. The left-wing majority in the Duma pledged to strengthen the power of the Russian state while the president and his associates lamented the collapse of the Soviet Union, promising integration with the former fraternal republics.

The two sides not only converged politically, but conscientiously borrowed the worst in each other's outlook and practices. The ruling authorities embraced the idea of a strong and omnipresent state. In turn the Communists, who had earlier demanded the abolition of the post of president, discovered that they felt quite comfortable with the institutions established by the Yeltsin regime. They also found themselves perfectly suited to a situation in which open political struggle was replaced by an ambiguous role in a decorative parliament and behind-the-scenes collaboration with the government.

The Communists sought to prove their reverence for private property while . . . the Yeltsin regime stated that there was no reason to be afraid of nationalization.

The first round of the presidential elections did not bring victory to any candidate. As expected, Yeltsin finished ahead by a large margin in Moscow, St. Petersburg, and, less convincingly, in the Urals. He also greatly outstripped his rivals in the far north. Zyuganov finished ahead in the industrial centers of the "red belt," and by lesser margins in the agrarian districts of the south and western Siberia. Yeltsin gained 35 percent of the overall vote, and Zyuganov received 32 percent. Compared with the 22 percent the CPRF received in December 1995, its June 16 results appear impressive. But in June the CPRF was running together with Working Russia, the Agrarian Party, People's Power, and a range of small groups that had run independently in December. When the total number of votes received by leftists in December 1995 are measured against the June results, we find that in the presidential poll

the left bloc gained an extra 3 percent at most.

In the final count, Yeltsin and Zyuganov were followed by retired General Aleksandr Lebed with 14.7 percent, Grigori Yavlinsky with 7.4 percent, and Vladimir Zhirinovskiy with 5.8 percent. The elections proved humiliating for former Soviet President Mikhail Gorbachev, who finished with the group of outsiders who failed to win even 1 percent of the vote.

The presidential elections were not rigged, but they were not completely honest either. All previous elections had seen petty meddling with the results and "adjustment" of the voting figures. According to CPRF experts, these practices allowed the pro-government bloc in prior elections to add some 2 to 3 percent of the vote to its total. The results of the voting were particularly dubious in the case of military bases (as Lebed has publicly testified); in the regions of the far north; and in the Chechen republic, where the falsification of the results in 1995 was internationally acknowledged. If we consider that in each of the aforementioned cases Yeltsin dramatically outpolled Zyuganov, we are entitled to suspect that the authorities obtained their "additional 3 percent" on June 16 as well.

NO MEMORY, NO SHAME

For both Yeltsin and Zyuganov, the results of the June 16 voting were a clear disappointment. Surpassing Zyuganov by only 3 percent in the first round, Yeltsin could not feel confident of his

prospects in the runoff. A few days before the elections he had been promising a first-round victory and his pollsters had declared on television that the gap between Yeltsin and Zyuganov on June 16 would be between 9 and 12 percent.

To a significant degree, Yeltsin won both the 1993 referendum on confidence in his presidency and the 1996 presidential elections thanks to his government's domination of the mass media. The president's propaganda machine represents a new and remarkable phenomenon in Russian history. The present regime may not have been able to manage the economy, but the way in which it has organized its information policies has been nothing short of brilliant.

During the election campaign, the incumbent was promoted during rock concerts, televised astrological forecasts, entertainment and cultural programs—in short, almost everywhere. Huge portraits of the president, clasping hands with Moscow Mayor Yuri Luzhkov, filled the streets of the capital. The praise for the national leader exceeded anything seen since the death of Stalin. But the state propaganda machine was not simply repeating itself. The praises were varied and refined, and the posters were aesthetically pleasing, benefiting from professional design and the use of Western materials. The information and propaganda complex became perhaps the most dynamic sector of the economy, creating huge profits for the private sector and tens of thousands of new jobs.

The anti-Communist hysteria orchestrated by the authorities undermined the positions of the remaining democratic candidates: Grigori Yavlinsky, Suyatsovlav Fyodorov, and Mikhail Gorbachev. Almost everyone who saw Yeltsin as a defender against communism voted for him in the first round. Yavlinsky, Fyodorov, and Gorbachev were left to a large degree to those voters who saw Yeltsin, in the words of human rights defender Sergei Kovalyov, as a "murderer and liar." On the eve of the second round a group of distinguished human rights defenders (Sergei Grigoriants, Vadim Belotserkovsky, Vladimir Pribilovsky, and many others) formed the No! movement, calling on people to vote against both candidates under the slogan that "People who vote for Zyuganov have no memory, and people who vote for Yeltsin have no shame." The newspapers and television, which in earlier days had extensively publicized the activities of the human rights movement, did not even mention this initiative.

After the June 16 vote, Yeltsin shifted his focus

to personnel changes aimed at attracting additional votes and consolidating his electorate. On June 18 he appointed Lebed to the post of national security adviser. Lebed, who had based his entire campaign on exposing the regime, was transformed before the eyes of journalists into one of the regime's leading supporters. For the benefit of Lebed, Yeltsin sacked the general's long-time foe, Defense Minister Pavel Grachev. General Aleksandr Korzhakov, the head of the president's security service, General Mikhail Barsukov, the head of the Federal Security Service, and Deputy Prime Minister Oleg Soskovets were also purged to accommodate Yavlinsky and the liberals associated with Anatoly Chubais. Barsukov and Korzhakov had been depicted in the liberal press as the main opponents of democracy within the Kremlin elite. But whatever the doubts about the attachment these men had to the values of freedom, General Lebed was no better in this respect.

Paradoxically, the strengthening of the government's authoritarianism and the purge in the Kremlin have lent the regime a certain attractiveness. However often the terms "freedom," "justice," and "the rule of law" might be repeated in official documents, the secret behind the success of the present government does not lie in these concepts. After 10 years of change, a significant part of Russia's population has come to yearn for the iron fist. Meanwhile, the Communists are no longer the embodiment of the idea of order for many people in Russia today. Government propaganda linked a prospective Communist victory with the beginning of discord, chaos, and political anarchy.

The steady fall in the popularity of Vladimir Zhirinovskiy (from 22 percent in 1993 to 11 percent in 1995 and 6 percent in 1996) signals the twilight of his political career as the principal leader of the nationalist right. Lebed successfully took state-nationalist rhetoric, together with demagogic criticism of "democrats" and "communists" and racist attacks on "southern nationalities," into his own political arsenal. Zhirinovskiy can console himself with the fact that immediately after the first-round elections, Lebed lost a significant number of his supporters as a result of entering Yeltsin's administration. But after disappearing from the scene as an independent politician, Lebed has emerged as a strongman who should prove especially useful to the Kremlin if there is a need to put down hunger riots or Communist protests.

However, Lebed's first role was to manage the defeat of the rebels in Chechnya. In July Lebed had promised that he would go to Grozny, but failed to

do so. He went only after the rebels launched a crushing attack on the army in August and he had to start face-saving negotiations with the rebels.

Although Zyuganov also offered posts to Lebed, there was no chance that the CPRF could "buy back" the general with the promise of employment, since even a complete electoral victory could not have guaranteed that the Communists would come to power. Nor can the unwillingness of other candidates to conclude agreements with Zyuganov be explained in terms of anti-Communist principles, since all of them have actively engaged in parliamentary horse trading with the Communists. The critical factor was fear that if a deal were struck, the Communists would be unable to deliver the goods.

Of course, the Communists could have appealed directly to supporters of Lebed, Yavlinsky, Zhirinovsky, and Gorbachev and tried to explain why a candidate from the opposition might defend their interests better than the current president. But nothing of the kind was done. Instead of traveling about the country trying to convince wavering voters, CPRF leaders courted politicians from the government camp.

The political elite in modern Russia are hardly firm believers that the Communists are guilty of the sins ascribed to them. Until 1991, prominent supporters of the present regime and leading figures from today's opposition both sat in the same Soviet cabinets. But whatever attractive force this shared past might exert, there is something that repels the holders of power from the Communists. The fear among the Russian elite of Zyuganov coming to power does not stem from the prospect of wholesale nationalizations, or hostility to Communist ideology. Because a genuine entrepreneurial bourgeoisie has not been established in Russia, success in business is linked indissolubly to the personal relations entrepreneurs enjoy with the authorities. A change of government would quickly bankrupt many of the New Russians who have grown rich during the years of reform. These entrepreneurs fear victory by any opposition force as a personal catastrophe.

THE ELECTION'S "ADJUSTED" RESULTS

Throughout much of the period leading up to the second-round elections, local administrations did what they could to win over voters or, failing that, to frighten them. During a conference conducted on the radio by the Bashkortostan republic

government, the authorities threatened to cut off gas supplies if Yeltsin failed to win a strong majority. Despite this, the polls on July 3 began inauspiciously for the government. Throughout the morning the population of St. Petersburg, a city considered a major Yeltsin stronghold, simply failed to turn up at the polling stations. People were clearly sick of elections. By 3 P.M. only about 4 percent of the city's voters had gone to the polls. A low turnout was also evident in other regions where Yeltsin had won in the first round. Something close to panic broke out in the president's campaign team. A state television announcer let slip the news that "catastrophic moods" had seized hold of the campaign staff.

After 4 P.M. came an astonishing switch. As if someone had waved a magic wand, the low turnout was everywhere replaced by a high one. If we are to believe official reports, the citizens of Russia turned

out en masse at the polling stations and, in a no less concerted fashion, voted for Yeltsin. The more remote and inaccessible the region, the greater the support for the president. The Chukchi peninsula in the far northeast showed particular enthusiasm for Yeltsin, giving him 75 percent of the vote—a remarkable result, especially if we consider that in the heat of the election campaign Moscow had forgotten to ship foodstuffs to Chukchi and the danger of starvation hung over the region.

The people of Chechnya also voted en masse for Yeltsin; obviously, they had recovered from being bombed by Russian warplanes. It is true that journalists were unable to locate many of the polling stations, but vote totals recorded at these stations could nevertheless be found in the offices of the republic's electoral commission.

According to official figures, a sharp change in the mood of the electorate took place between the first and second rounds in regions where power is held by Yeltsin supporters but where the population has voted for leftists in the last few years. Where power is held by administrators who support the opposition, nothing of the sort was observed. In Dagestan, Zyuganov lost more than 17 percent of his votes, in North Ossetia almost 10 percent, and in Tatarstan about 8 percent. Similar results were recorded in a number of other autonomous republics. On the morning of July 4, the pro-Yeltsin analyst Igor Bunin admitted on television that this phenomenon was impossible to explain from a soci-

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ological point of view; he went on to attribute it to explanatory work carried on by local leaders.

The right-wing newspaper *Segodnya* noted on July 5 that the question of fraud “might be posed” with relation to these regions. Still, Western observers once again characterized the Russian elections as near faultless. The Swedish observer Ernst Muehleman told the July 5 *Moscow Tribune* that the Russian elections served as “a good example for Western countries.” To be fair, it should be noted that not all the observers shared this view. The Dusseldorf-based European Institute for the Media stated that the 1996 elections were “a step backward” for the development of Russian democracy.

Despite all these strange goings-on, it would be wrong to speak of massive fraud in the elections. It is more likely that the authorities “adjusted” the results somewhat. A small lead for Yeltsin in the first round was thus transformed into a substantial majority on July 3, when the president was reelected with about 54 percent of the vote; Zyuganov received around 40 percent. Nearly 5 percent of voters rejected both candidates.

NEGOTIATED FRAUD

The elections went off well because the victims did not protest. Indeed, what happened might be termed “negotiated fraud.” The leaders of the Communist Party knew perfectly well that there was a substantial danger of ballot rigging and understood how serious the resulting political crisis might be if the legitimacy of the elections were placed in doubt. But they also knew the scope of the repressive powers available to the state. A tacit acceptance of fraud, masked by not especially strident demands that disputed returns be investigated by a court, was therefore safer and more advantageous than direct conflict. No one wanted a scandal. Because the opposition effectively refused to protest, it became an accomplice to the government’s actions.

The outward appearance of democracy was created, and the opposition received the guarantees that are so necessary in a society not subject to the rule of law. This is in fact an old tradition. The entire Soviet system was built on such practices, through which every citizen (apart from a handful of dissidents) was simultaneously victim and accomplice. Today the political stabilization of Russia is founded on this principle.

Zyuganov and his colleagues understood perfectly well that they were going to lose. They said their defeat was the result of Yeltsin’s total domination of the mass media. But was this use of the

media really a surprise to CPRF leaders? The anti-Communist propaganda on television was so successful because this time, unlike in the December 1995 parliamentary elections, the opposition virtually quit working with people at the grass roots. The Communist Party concentrated totally on parliamentary activity, although it is in precisely this field that the ineptitude of the Communists is most glaring. A boring and incompetently organized election campaign, together with a complete lack of new ideas, all pointed toward defeat, perhaps even in the first round.

By the second round the Communists’ position had grown even worse. The party abandoned propaganda work and its leaders spent more time consulting with the government than assisting their own activists. Immediately after the elections, Duma speaker Gennadi Seleznyov and one of the party’s long-time leaders, Anatoly Lukyanov, referred to the party’s “good” results and argued that the CPRF ought to receive senior posts in the new cabinet.

Leading members of the Yeltsin administration, who barely a day before had been speaking of the “red menace,” also changed their tone abruptly. On the day after the elections, Prime Minister Chernomyrdin and other government representatives spoke of the presence in the CPRF camp of serious and responsible people who should be brought into the government and entrusted with the task of resolving social problems. The government leaders argued that the country should not be divided “into reds and whites” (as if they had not spent the previous two months doing precisely this), and pledged that a place for all would be found in the cabinet.

The only prominent opposition leader who failed to receive any offers was Yeltsin’s liberal rival, Grigori Yavlinsky. He was obviously being punished for taking a principled position on questions of human rights and for refusing to call on his supporters to vote for Yeltsin. Yavlinsky noted in turn that there were only two Communists whom he would like to see in the Russian government: Marx and Engels.

The almost farcical excitement surrounding the composition of the new government prompts the thought that just as the alliance between Yeltsin and General Lebed was already sealed before the first round, so the reconciliation of the Communist elite with the government dates from before the second round. Very likely, the Communists were offered a choice: either show obstinacy and suffer persecution, or agree to refrain from stirring up indignation

over doubtful results and enter the government. The CPRF's weakness, the absence of a mass mobilization, and the ideological omnivorousness of the Communist leaders determined what the choice would be.

The CPRF leaders were also clearly impelled by another consideration. The deterioration of Yeltsin's health became a generally acknowledged fact. The president could not even vote at his usual polling station, where the press was waiting for him. He instead cast an absentee vote in the village of Barvikha, the site of the sanatorium where high-level bosses of the Soviet Communist Party used to receive treatment. CPRF leaders apparently concluded that Yeltsin was unlikely to survive until the end of his term in the year 2000. They seem to have reasoned that when the question of the succession is decided, it would be better to be close to the empty throne.

A LOSE-LOSE SITUATION?

It is easy to speak of "treachery" and political irresponsibility on the part of the Communist hierarchy. But the problem runs much deeper. The Russian people have not shown any particular desire for change. Half-starved teachers and factory workers voted for Yeltsin, not because they were scared of the Communists, but because for hundreds of years such people in Russia have had instilled in them a love of the authorities—any authorities. July 3 marked a historic triumph for social apathy, for the traditional love of bosses and fear of freedom, for conformism, and for an authoritarian political culture.

The people who voted for Yeltsin on June 16 and July 3 were part of the same passive majority who in 1937 had watched the repressions with indifference; who had denounced dissidents in the 1970s; and who in the 1980s had joined in condemning informal (that is, independent, grassroots) activists. By supporting Yeltsin, Russians accepted moral and political responsibility for everything that had been done under Yeltsin's rule: for the war in Chechnya; for the economic policies that had robbed future generations of the right to education and health care; and for the lawlessness that had taken hold of the country.

Yet not only the CPRF but also the rest of the Russian left proved incapable of presenting itself as a modern, dynamic alternative. The calculation that hostility to Yeltsin would lead decisive numbers of people to support Zyuganov proved quite false. The CPRF ended up in a political ghetto. The left failed to act as a force striving for the broad democratization of society. The claims of the aging autocrat Yeltsin and his byzantine court to represent "the future of Russia" are ludicrous. But can the future be linked with the faded party ideologues gathered beneath the banners of the CPRF? In public consciousness the Communist Party remains associated above all with the past, even if this is seen by many people as a great past. The defeat of the CPRF marks the beginning of a new crisis of the Russian left. This crisis may result in a "new wave" of political activism, free of any ties to the nomenklatura-authoritarian traditions of the Communist Party. But the process of renewal will be extremely difficult and painful.

There were no winners in the elections on July 3. Yeltsin at most scored a Pyrrhic victory, and the price he paid was not only serious damage to his health, but also the obvious renunciation of his initial program and the sacking of important members of his team. The belief that the elections were rigged will continue to plague the new administration even if the parliamentary opposition decides not to mount a serious inquiry.

The Communists lost finally and indisputably. Nostalgia for a great past will never again serve as a force capable of mobilizing the electorate. The CPRF may perhaps have a future, but it cannot avoid a severe crisis. Also among the losers are those people who voted for Yeltsin with the sole aim of keeping the Communists out of the government: even if there are no Communist ministers in the near future, their program will become part of that of the new government. Communist supporters who saw the party as the main opposition capable of resisting the Yeltsin regime lost too; the compromise had already been made, and the capitulation had already taken place even before the elections.

In the final accounting, Russia lost. One is tempted to see a grain of truth in the old saying that every country gets the government it deserves. ■

"Terrorism and street crime have grown to alarming proportions. Yet instead of trying to stem the tide of lawlessness in cities like Moscow and St. Petersburg, the Russian security services devote their resources to subduing the Chechens, fighting Western spies, harassing outspoken journalists, and defeating Yeltsin's political enemies. Far from being apolitical guarantors of Russia's internal security, the KGB's successors are deeply involved in power politics."

Internal Security and the Rule of Law in Russia

AMY KNIGHT

Judged against what the Soviet system was like before President Mikhail Gorbachev embarked on his wide-ranging reforms, Russia today has come a long way toward achieving the rule of law. Democratic elections took place this June and July, allowing Russian citizens to reject a Communist leader as president in favor of the incumbent, Boris Yeltsin. Although Yeltsin abused his position as head of state by pressuring the press and government-dominated television to favor his candidacy, the post-Soviet media has achieved remarkable freedom of expression. As for the public as a whole, it is no longer living under the Damoclean sword of the KGB, the notorious Soviet security police. Gone are the days when individuals were whisked off by the KGB to prisons and psychiatric hospitals for merely expressing their views. In today's Russia, people say what they think without police reprisal.

Measured by the standards of Western democracies, Russia's progress toward the rule of law appears much less impressive. Indeed, if we take the concept to mean a government limited by a clearly defined system of laws that treats all its citizens equally according to due process, Russia has a long way to go. Not only does the Russian president have broad powers that enable him to rule by decree and ignore the democratically elected parliament, but the Russian security agencies also

operate, just as the KGB did, without the democratic constraints of parliamentary control and public accountability. These agencies answer only to the president and his administration, which have used them for political purposes rather than to ensure law and order in society as a whole.

Government officials enjoying Yeltsin's favor have been allowed to flout the law and engage in illegal economic activity, while those who do not have been subjected to warrantless searches and incarceration without charge. Russian businessmen fly in and out of the country freely, depositing their money in Swiss bank accounts and bringing back foreign treasures; less affluent citizens of Caucasian nationality are not even permitted to stay in Moscow hotels without registering and surrendering their passports.

Terrorism and street crime have grown to alarming proportions. Yet instead of trying to stem the tide of lawlessness in cities like Moscow and St. Petersburg, the Russian security services devote their resources to subduing the Chechens, fighting Western spies, harassing outspoken journalists, and defeating Yeltsin's political enemies. Far from being apolitical guarantors of Russia's internal security, the KGB's successors are deeply involved in power politics.

THE KGB: REORGANIZED, BUT NOT REFORMED

How did this situation come about, given Yeltsin's promises after the August 1991 coup attempt to reform the KGB and establish a state where the security services would play only a minor role? Why have efforts to rein in the KGB's successors and create a society where individual rights

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prevail over those of the government faltered? Part of the problem is that former Communist bureaucrats, including Yeltsin himself, dominate Russia's political landscape. In the Soviet period the Communist Party relied on the KGB to buttress its rule, and gave the organization unlimited resources and impunity from the law to ensure that the population was completely subdued. The KGB was the main source of information on what was going on in the Soviet Union and abroad, providing party officials with expert analyses on which they based most of their political and economic decisions.

The Kremlin has not stopped relying on the security services, especially given the volatile political and economic situation. As for the security services themselves, they are still run by "Chekisty" (career KGB officials). Many observers had expected that when the KGB was disbanded in late 1991, there would be an extensive purge of its ranks. But this did not happen.

For the most part, the changes in the KGB involved reshuffling and reorganizing, but not reform. Instead of one unified organization that combined all internal security and foreign intelligence functions, the KGB was divided into five separate agencies after the Soviet Union was dissolved. The First Chief Directorate (foreign intelligence) became the Foreign Intelligence Service, headed by Yevgeni Primakov; the directorates dealing with counterintelligence, military counterintelligence, internal dissent, economic crime, and surveillance were transformed into a newly created Ministry of Security. The Eighth Chief Directorate (communications) and the Sixteenth Directorate (signals intelligence) were merged into the Federal Agency for Government Communications and Information (FAPSI); the KGB's Ninth Directorate (guards) became the Main Guard Directorate, with a subsidiary Presidential Security Service; and the KGB Border Guard is now the Federal Border Service.

But restructuring the KGB did not result in a weakening of its powers. Under Yeltsin the new agencies were given substantial authority and resources. Parliamentary control over the security services has remained largely a myth. According to the laws that govern the security services, the president has ultimate control in all matters that concern the services—personnel appointments, material resources, functions, and prerogatives. Parliament's influence amounts to little more than the ability to summon security leaders for questioning and to discuss the budgets of these agencies.

WHOSE PROTECTORS?

Aside from the Foreign Intelligence Service, which is stationed outside Moscow at Yasenevo, the security service headquartered at the infamous Lubyanka (the former headquarters of Stalin's secret police) in Moscow is the largest and most important of the agencies siphoned off from the old KGB. Initially called the Ministry of Security, it has since gone through several name and leadership changes. In January 1994 it was renamed the Federal Counterintelligence Service. Shortly thereafter its chief, Nikolai Golushko (a seasoned Chekist best known as Ukraine's ruthless KGB chief) was dismissed and replaced by his deputy, Sergei Stepashin. In the spring of 1995 another renaming occurred when the agency became the Federal Security Service (FSB), which was given a new set of operating instructions under a special law. Democrats were dismayed, because the law gave the FSB powers of investigation and arrest that even the KGB would have envied.

The FSB has a wide range of functions: counterintelligence against foreign spies; fighting terrorism, drug smuggling, and nuclear theft; and combating corruption. The results of its efforts have been mixed at best. The FSB has solved few of the many murders of journalists, businessmen, and politicians that are believed to have been carried out by the mafia. Reports of the theft of nuclear materials, though usually denied by the FSB, are becoming more frequent, and fighting corruption seems to be a losing battle. So many members of Yeltsin's own entourage have been tainted by corruption scandals that the FSB is in a catch-22 situation. Clearly, it is risky to go after those under Yeltsin's protection, but directing its investigatory powers against non-Yeltsin supporters has given rise to accusations of bribery and playing power politics. Another problem is that FSB officials themselves have been implicated in illegal economic activities.

As for fighting terrorism, the FSB, along with the regular police (the Ministry of Internal Affairs, or MVD), has an equally dismal record. In June and July alone there were bombings on the Moscow subway and in two trolley buses that resulted in 44 injuries and 12 deaths. The police have thus far come up with no leads and can only say that they are sure the Chechens were behind the bombings.

It is against the Chechens that most of the FSB's counterterrorism operations are directed. Chechnya is part of the Russian Federation, and when Russian troops invaded the republic in December 1994, it was under the rubric of fighting banditry and ter-

rorism, not foreign aggression. This explains why Lubyanka was actively involved in the operation from the start. The FSB chief, Stepashin, an outspoken advocate of the Russian onslaught against Chechnya, spent most of the first six months of 1995 in the North Caucasus monitoring the war. After the debacle at Budyonnovsk, where Chechen rebels took hostage 2,000 Russians in the summer of 1995 and casualties were significant, Stepashin was dismissed. But he was not excluded from the Yeltsin administration. He later became secretary of the State Commission for Regulating the Chechen Conflict and continued to play a major role in Russia's war against Chechnya.

The Chechen war is the Achilles' heel of the Yeltsin administration when it comes to establishing the rule of law in Russia. By mid-August 1996, more than 35,000 people had been killed in fighting in Chechnya since the war erupted in December 1994. There have also been widespread human rights abuses. The residents of Chechnya are all citizens of the Russian Federation, yet those of Chechen ethnicity are treated like criminals and bandits, rounded up at will by Russian security forces, and subjected to a variety of forms of summary justice.

Chechens are frequently blamed for acts of terrorism that occur in Russian cities (such as the Moscow bombings), although the security police are hard put to prove their allegations. Individual murders are attributed more generally to the "mafia," taken to be corrupt businessmen of Caucasian nationality. The widespread perception that these ethnic groups are behind the rise in violent crime has made the draconian anticrime measures introduced by the government more palatable. Caucasians have traditionally been considered second-class citizens, so Russians do not worry as much about violating their rights.

THE ADMINISTRATION'S LONG ARMS OF THE LAW

The Federal Agency for Government Communications and Information (FAPSI) is another security agency that enjoys a great deal of latitude in carrying out its tasks. Headed by former KGB directorate chief Aleksandr Starovoitov, FAPSI conducts communications espionage, monitoring and deciphering foreign government communications just as the United States National Security Agency does. But FAPSI also has domestic functions. It is responsible for the security of government communication lines and it issues licenses for the telecommunications

systems of private financial institutions and for the export and import of information technology. With its ability to penetrate private communications lines, FAPSI is a valuable asset for the Yeltsin administration. But it is also a potential threat to individual rights. Although there is a law governing the operations of FAPSI, the emphasis is on its powers and functions rather than on controlling its activities. Yeltsin has, by all accounts, used his authority over FAPSI to gain access to information that he uses for his own political and economic advantage.

Probably the most controversial of all the internal security agencies that have emerged from the KGB is the Federal Protection Service (FSO). The FSO has a long and convoluted history. It was established in late 1991 as the Main Guard Directorate, a reincarnation of the KGB's Ninth Directorate, which had guarded the government leadership and key government installations for almost 40 years. Known in Kremlin circles simply as the *deviata* ("Ninth"), the directorate was traditionally a low-

profile agency, filled with trustworthy officers who could be counted on to keep their mouths shut and skillfully respond to threats. Officers of the Ninth were not analysts, investigators, or intelligence-gatherers; they were bodyguards privy to some of the Kremlin's deepest secrets.

After Yeltsin became president of the Russian Federation, he expanded the role of the guards agency, which was headed

by a veteran of the Ninth, Mikhail Barsukov. First, Yeltsin created a subunit specifically for the protection of himself and his family, the Presidential Security Service. Its chief was Aleksandr Korzhakov, another former Ninth staffer who had served as Yeltsin's personal bodyguard during the tumultuous late 1980s, when Yeltsin was struggling for political survival after a serious falling-out with Gorbachev. At his side almost 24 hours a day, Korzhakov became Yeltsin's closest friend and adviser.

By late 1993 Yeltsin had elevated Korzhakov's agency to an independent entity, separate from Barsukov's Guard Directorate but working closely with it. Between them Barsukov and Korzhakov had a staff that reportedly numbered almost 20,000. It was clear that these men were doing far more than protecting the president and the government; they were running a mini-KGB right out of the Kremlin, spying on Yeltsin's political enemies and providing advice on major policy issues. The influence of the Korzhakov-Barsukov duo increased in August 1995, when Federal Security Service chief Stepashin

Parliamentary control over the security services has remained largely a myth.

was dismissed and Barsukov took over the position. At the same time Korzhakov's Presidential Security Service gained authority over the Guard Directorate and Korzhakov himself was awarded the rank of lieutenant general. With the Federal Security Service staff numbering close to 140,000, Barsukov and Korzhakov had control over a vast security apparatus.

Meanwhile, the press was reporting on Korzhakov's deepening involvement in the financial affairs of the Russian government. For example, he oversaw the state company selling Russian arms abroad and took a major role in developing Russia's oil industry. Profits from these enterprises were said to be funneled directly into Yeltsin's election campaign fund. Although large sums of government money were unaccounted for, the hue and cry raised by deputies to the Russian parliament and by the media had little practical result, since the acting prosecutor-general, Aleksei Ilyushenko, charged with investigating the scandal, was a Yeltsin loyalist.

Evidence of corruption and the misuse of state funds was not confined to Korzhakov. Prime Minister Viktor Chernomyrdin and Minister of Defense Pavel Grachev, along with a host of their subordinates, were also under fire for illegal financial deals. Unsurprisingly, Yeltsin showed little inclination to remove the corrupt officials who tainted his administration at the highest levels. His poor health and the growing public dissatisfaction with his performance as president—fueled by the unpopular war in Chechnya—left him too weak to withstand a purge of his administration. Besides, he may have preferred to turn a blind eye when much-needed cash was flowing into his campaign coffers.

Barsukov and Korzhakov obviously had a high stake in the outcome of the presidential election. With a vast array of listening and monitoring devices, the authority to conduct investigations, and access to secret files on Russian politicians, they had an arsenal of weapons to ensure the victory of their candidate. Indeed, it is puzzling that Korzhakov would call publicly, as he did in early May 1996, for a postponement of the elections, especially since Yeltsin was showing significant gains in the polls against Communist Party leader Gennady Zyuganov. In retrospect, it appears that Korzhakov was sending up a trial balloon on behalf of the Yeltsin forces to test public reaction to a postponement. Given Korzhakov's reputation as a scheming, modern-day Rasputin, it was easy for Yeltsin to disassociate himself from the statement and feign dis-

may. As has occurred so often in the past, the security chief became the fall guy in order to preserve the image of the leader.

This incident proved to be a bad omen for Korzhakov and Barsukov. Despite their unswerving loyalty to the president, both were sacrificed by their boss. A few days after Yeltsin and Zyuganov emerged as the two top vote getters in the June 16 election, a grim-faced Yeltsin announced that he had dismissed his two security chiefs, along with hard-line First Deputy Prime Minister Oleg Soskovets. The pretext was the arrest, by members of Korzhakov's Presidential Security Service, of two campaign aides carrying large sums of money out of the Kremlin. But there was doubtless more to the story. Most probably Korzhakov and Barsukov were victims of a power struggle, set off by the appointment of General Aleksandr Lebed as Yeltsin's new national security adviser and the ensuing rivalry with government figures like Prime Minister Viktor Chernomyrdin and the new presidential chief of staff, Anatoli Chubais.

The sacking of his security chiefs, who were widely considered hard-liners, gave an additional boost to Yeltsin's campaign in the presidential runoff election. On July 3, faced with a choice between the growing tide of crime and terrorism under a corrupt regime responsible for a brutal war in Chechnya, and a return of the Communists, the Russian people chose to stick with what they had. Judging from Zyuganov's campaign rhetoric, Russians would have encountered a serious clampdown on their freedoms, especially in the economic sphere, if he had emerged as the victor in the presidential race. But will the Russian people fare all that much better during a second Yeltsin term?

SECURING THE SECURITY SERVICES

With Yeltsin's health uncertain and the balance of forces in the Kremlin unclear, it is difficult to predict what will happen to the Russian security services. It is unlikely, however, that they will be reformed significantly in the near future. The dismissal of Korzhakov and Barsukov will have little impact on the operations of the security services since their replacements were immediate subordinates rather than outsiders. The new FSB chief, Nikolai Kovalev, joined the KGB in 1974, working for many years in "ideological counterintelligence" (that is, against dissidents) in the Moscow branch. Yuri Krapivin, a close associate of both Barsukov and Korzhakov, has become head of the new Federal Protection Service, which incorporates the old

Guard Directorate and Korzhakov's Presidential Security Service. Given their backgrounds, neither Kovalev nor Krapivin should be expected to introduce substantial changes.

The new official overseeing the security services on behalf of the Russian president, General Lebed, is a seasoned military man with little apparent interest in human rights or the democratic process. Lebed was part of the Soviet military force that quelled unrest in 1989 in Tbilisi, Georgia, where 20 people died, and again in January 1991, when an assault against Azerbaijani nationalists in Baku killed hundreds of civilians. After he joined Yeltsin's team in late June 1996, the general vowed to ban foreign religions and to struggle against the West's "cultural expansion" into Russia. Although Lebed was outspokenly critical of the war in Chechnya during the initial election campaign, once he became national security adviser he did an about-face and endorsed the continuation of fighting there. His subsequent efforts to end the Chechnya conflict should be viewed in this context. As for the rest of Yeltsin's government, despite his purge of leading members of the "party of war"—the architects of the Chechnya invasion, Barsukov, Korzhakov, Sokolov, and Grachev—there is still a strong lobby that opposes any compromise with the Chechens.

With terrorist acts becoming more common and crime and corruption reaching epidemic proportions, this is hardly the time to place limits on police powers. Indeed, the past response of the Yeltsin administration to the threat of crime has been to give the internal security forces more and more authority, thus effectively eroding many procedural rights essential for democracy to function. For example, in June 1994, Yeltsin issued a decree (which remains in effect) on "Urgent Measures to Intensify the Fight Against Crime." The decree aroused vehement protests from democrats because it authorized the security police to enter private premises without a search warrant and to detain suspects for up to 30 days without charge.

In the aftermath of the presidential elections, Yeltsin declared an all-out war against crime. In mid-July he signed another anticrime edict, this time specifically for the Moscow region, that reinforces the already substantial powers of the security police. Yeltsin also announced that corruption in the military was "eating away at the officer corps like rust," and demanded a serious investigation

into the alleged crimes of former Defense Minister Grachev and several of Grachev's subordinates.

Few expect that stronger laws or more anticrime campaigns will curb crime. And for those who hope for the rule of law in Russia, the price of such measures is high. While a host of different decrees and laws in the area of criminal justice and law enforcement have been introduced by the president and the parliament, a new code of criminal procedure, which would set clear limits on police powers to arrest and investigate citizens, has yet to be adopted. In June 1996 the government finally adopted a new criminal code (which goes into effect at the beginning of 1997) to replace the antiquated 1960 law. Experts consider it to be a substantial improvement over the Soviet version, since it reduces punishments for a number of crimes and limits application of the death penalty. But in the realm of criminal procedure, the rights of the state—expressed in the extensive powers granted to the security police—prevail over those of the individual.

Terrorism and crime present dilemmas for all democratic governments, since the state must reach a balance between respect for individual rights and the need to protect society. For Russia, which is not yet fully democratic and which lacks a tradition of legality and respect for law, the problem is much greater. As a commentator noted in the July 14, 1996, *Moscow News*, "The choice facing Russian society today is very difficult: either agree to a long period of struggle and conflict in the hope of gradually establishing stability based on legality and respect for the law, or demand from the authorities an immediate introduction of order at any cost and achieve stability on the basis of a strong government that is able to suppress any independent actions of its citizens."

As the tide of violence and lawlessness rises, the hope that Russia will choose the gradual solution grows dimmer. Even if it had the ability to do so, the Communist-dominated parliament has little inclination to press for limits on the powers of the security police. As for the politicians in the Kremlin, they may be willing to sacrifice individual security officials for their own political purposes, but they are unlikely to surrender their traditional reliance on security services to buttress their positions. With a struggle for the succession looming on the horizon, these services will maintain a strong presence in the political arena. ■

"Yeltsin justified launching the war against Chechnya by citing the need to preserve the integrity of the Russian Federation. But Moscow's mangled operations in the republic make the possibility of any voluntary Chechen union with Moscow extremely unlikely."

The War in Chechnya

VERA TOLZ

On August 23, 1996—20 months after Russian President Boris Yeltsin ordered a full-scale military intervention in the breakaway republic of Chechnya—*Izvestia* compared Russia's war in Chechnya with America's war in Vietnam. The comparison was not in Russia's favor; the newspaper argued that while the United States eventually learned from its Vietnam experience, Russia has yet to learn anything from the Chechen war. Indeed, almost two years after the war began, the solution to the Chechen conflict is still not in sight.

The war in Chechnya raises a number of questions about the methods the Russian government uses to solve political problems; about Russia's attitude toward its former colonies (including the newly independent states of the former Soviet Union); and about the state of the Russian armed forces and President Boris Yeltsin's ability to exercise control over them. More specifically, the war raises doubts about the ability of all subjects of the Russian Federation to become full-fledged citizens of one nation. Even if Moscow manages to sign a bilateral treaty with Chechnya stipulating that the republic remain part of Russia, would the Chechen people ever regard themselves as voluntarily belonging to the community of citizens of the Russian state? And if not, can Russian democratization succeed without national unity?

A HISTORY OF ANIMOSITY

In a detailed analysis of the Chechen crisis, Yeltsin's adviser on nationalities problems, Emil

Pain, and political scientist Arkadi Popov attribute Chechnya's drive for independence to the fact that the Chechen-Ingush autonomous republic had always ranked near the bottom of economic and social indicators in Russia. It is significant that their analysis completely omits the history of Chechen-Russian relations. This history was apparently also ignored by those politicians who, in late 1994, decided to begin military operations against the secessionist republic. But the fact that the Chechens had been at the forefront of the fierce resistance to Russian rule in the Caucasus in the prerevolutionary period and that they were among the most persecuted ethnic groups in the Soviet period are crucial to understanding the origins of the current conflict.

The Russians first attempted to establish their influence over the North Caucasus in the sixteenth century. At the final stage of this process, in the nineteenth century, it took the Russian army over five decades to put down the resistance of the "Mountaineers." The Caucasian War, which ended in 1859, was arguably the most brutal of all Russia's colonial campaigns. Even after its conquest, the North Caucasus was hardly integrated into the Russian empire, with the Chechens and other Mountaineers passively resisting Russian domination until 1917. During the civil war following the October Revolution, the Mountaineers made an unsuccessful attempt to assert their independence. In 1944, another tragedy befell the Chechens when Stalin ordered their deportation to Kazakstan on trumped-up charges of mass collaboration with the Germans.

Russian military journalist Pavel Felgengauer argues that this history fell victim to Stalin's myth that all non-Russians joined the Russian empire voluntarily. "As a result, Russians have for all practical purposes forgotten the Great Caucasian War. . . But

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the Chechens forgot nothing. Neither the war itself, nor the gallantry of Imam Shamil's men, nor the savageness of the fighting and the scorched-land tactics of General Aleksei Ermolov and other Caucasian viceroys. Nor, of course, the brutal 1944 deportation of their entire nation by Russian [Soviet] troops."¹ The emergence of a separatist movement among the Chechens during Soviet President Mikhail Gorbachev's political liberalization program thus comes as no surprise.

FROM BURR TO THORN

In the summer of 1991, the All-National Congress of Chechen People (ANCC) announced that the Chechen part of the Russian Federation's Autonomous Republic of Checheno-Ingushetia would secede from the Soviet Union and the Russian Federation. The congress made the newly formed Executive Committee of the ANCC the highest body of political power in the republic, with retired Soviet army General Dzhokhar Dudayev chairman of the committee. At the time, Moscow paid little attention to this declaration.

On October 27, 1991, presidential elections were held in Chechnya. Dudayev won, becoming the first popularly elected president in Chechen history. President Dudayev confirmed the earlier proclamation of independence. The Russian Congress of People's Deputies refused to recognize the legitimacy of the Chechen elections, noting that 6 of 14 districts in the Chechen-Ingush republic had refused to take part in the vote.

A November 7, 1991, decree by Yeltsin introducing emergency rule in Chechnya in reaction to its declaration of independence merely contributed to the growth of anti-Moscow sentiments and increased Dudayev's prestige in the republic. It was only in December 1992 that the Russian parliament recognized the division of the Chechen-Ingush republic into two parts, with Ingushetia firmly remaining part of the Russian Federation. Chechnya's independence, however, remains unrecognized by Russia or the international community.

Between 1992 and 1994, the Chechen leadership arranged the withdrawal of Russian troops from the republic. Neither federal nor local authorities were in control of Chechnya in the early 1990s. There was no police, no parliament, and no unified financial system in this self-proclaimed independent republic. Even the borders were not firmly estab-

lished. The vagueness of Chechnya's political status led to the creation of the biggest market for arms and drugs in the Commonwealth of Independent States. According to some observers, this benefited groups not only in Chechnya but also in Moscow.

Russia made some attempts to conduct negotiations with various political forces in the rebel republic. In January 1993, a delegation of Russian parliamentarians visited Grozny and signed a protocol on the preparation of a treaty on the delimitation of powers between Moscow and Chechnya. Dudayev was excluded from these negotiations, however, and strongly opposed the talks as long as Moscow continued to refuse to recognize Chechnya's independence. Instead of meeting with Dudayev, Russia's representatives dealt with members of the Chechen parliament—a body that played virtually no role in the republic's politics.

New hopes for an agreement with Chechnya emerged following the successful signing of a bilateral treaty between Moscow and Tatarstan in February 1994. This treaty granted Tatarstan a wide range of political and economic powers in exchange for its agreement to remain part of the Russian Federation. That April, Yeltsin instructed his government to draft a treaty between Moscow and Chechnya using the Tatarstan agreement as a model. The deputy prime minister responsible for nationalities policies, Sergei Shakhrai, was put in charge of the process.

The attempt was doomed from the start. Shakhrai, who was a key proponent of excluding Dudayev from the negotiation process, was unacceptable to the Chechen leadership. Yeltsin also rejected advice that any meaningful negotiations with Grozny should involve Dudayev. Those favoring Dudayev's participation argued that Dudayev's involvement in negotiations would degrade his heroic image. Under these circumstances, Moscow could hope that when new presidential elections were held in Chechnya in 1995, Dudayev would be voted out of office.

It is hard to say how realistic this scenario was. In any event, Yeltsin embarked on another path, and decided to rely on the fragile and disunited anti-Dudayev opposition in the predominantly Russian Upper Terek region of Chechnya. Moscow backed the opposition's proclamation of an alternative government and supplied it with military equipment and money. On November 26, 1994, these Chechen opposition forces attempted to take over Grozny. They failed and, after an initial denial, Moscow had to admit the involvement of Russian

¹Pavel Felgengauer, "A War Moscow Cannot Afford to Lose," *Transition*, vol. 2, no. 11, May 31, 1996, p. 28.

security forces in the attack. Two weeks later, Russian troops entered Chechnya and, on December 31, they began to storm Grozny.

A CHRONOLOGY OF THE WAR

Various explanations have been advanced as to why the Russian government decided to begin full-scale military operations in Chechnya. One is that Yeltsin expected that a quick, successful war would improve his popularity and reestablish his image as a competent leader firmly in control of his country. Yeltsin apparently believed Defense Minister Pavel Grachev's assertion that Grozny would be captured in a matter of hours. Other observers have suggested that the operation was sparked by Moscow's desire to control an important oil pipeline that runs through the North Caucasus to Novorossiysk. Still others argued that the military operation became inevitable after the opposition's disastrous performance in November 1994 and the embarrassing involvement of

Moscow's security forces in the opposition's assault on Grozny. In other words, by supporting a full-scale war, the defense and security ministries were covering up their past blunders.

Yeltsin's policy in Chechnya provoked relatively limited criticism from Western governments. The West accepts the legitimacy of Russia's rule over Chechnya, and has criticized, albeit not very vocally, the methods the Russian government has used to maintain this rule. The question of the means by which Yeltsin solves his political problems has been posed much more sharply by the Russian media. Special attention has been paid to the way in which the decision to begin the war was taken.

There is no legislation in Russia on the use of the army in internal conflicts. In the case of Chechnya, the president, after soliciting the opinions of a few members of the National Security Council and the power ministries, made the decision virtually on his own. He also failed to inform the parliament of his decision to use force, as required by the constitution.

The initial performance of the Russian military in Chechnya was extremely poor. The Russians suffered heavy losses and at several points the military command was on the verge of totally losing control of its troops. The operation was apparently not properly planned, and insufficiently trained young

recruits were sent into battle without even having maps of the city of Grozny. The winter weather prevented air support for the ground forces. The Chechen side's readiness for war and popular determination to defend the homeland were underestimated by the Russian side. However, Russian military superiority eventually led to control of Grozny by March 1995



and to the continuation of a Russian offensive that has been accompanied by enormous brutality, high casualties among the civilian population, and devastation of the republic's cities and villages. By the summer of 1995, federal troops had established control over the main strategic points in the Chechen plains and over several important strongholds in the mountains.

It was at this point that the Chechens resorted to terrorism. In June 1995, Chechen military commander Shamyl Basaev led a raid on the Russian republic town of Budyonnovsk that left 120 civilians dead in fighting between Chechen and Russian forces when Basaev's forces took over a hospital and

held nearly 2,000 people hostage. In January 1996, Chechen fighters took hostages in the town of Kizlyar in Dagestan. These actions forced the Russian government to negotiate with the Chechens.

COMING TO THE TABLE

Following the Budyonnovsk crisis, a cease-fire was negotiated in July between Moscow and the Chechen rebels. This was violated by both sides, however, and in December 1995, Russian forces, after a major battle, took control of Gudermes, Chechnya's second-largest city.

In early 1996 fighting continued, with Russian troops especially active in February and March. At that point the war in Chechnya began to be seen by members of Yeltsin's entourage as a major obstacle to his success in the presidential elections scheduled for June. The peace plan Yeltsin announced in a televised speech on March 31 should be seen as part of his election campaign strategy.

The plan's main innovation was Yeltsin's agreement to negotiate with Dudayev through an intermediary. The peace settlement was to consist of three phases: 1.) the immediate cessation of hostilities by Russian troops and the gradual withdrawal of these troops, accompanied by the establishment of the control of the pro-Moscow Chechen leadership over the territory of Chechnya; 2.) the convening of a political forum representing all Chechen political groupings and regions in which the federal authorities could also take part. At this stage a treaty on the delimitation of power between Moscow and Chechnya would be drafted and elections to the government and state offices in the republic would take place; 3.) the definition of Chechnya's future status. An amnesty for all Chechens involved in the fighting, with the exception of those who had participated in "serious criminal offenses," would be considered by parliament.

On April 22, Dudayev was killed by Russian forces. Zelimkhan Yandarbiyev, co-founder of the ANCC, was named Dudayev's successor. Many commentators believe Yandarbiyev's position on Chechen independence is as uncompromising as Dudayev's was. On assuming power, Yandarbiyev said he was willing to negotiate with Moscow, but emphasized that the precondition for negotiations was the withdrawal of all Russian troops from his republic. If the Russians refused to meet his demands, the Chechen forces would be "ready to fight till the last man." This precondition was clearly unacceptable to Moscow.

However, on May 27, Yandarbiyev came to Moscow to meet Yeltsin and Prime Minister Viktor Chernomyrdin and sign an agreement ending hostilities as of June 1. Yeltsin met one of the most important demands of the Chechen opposition by including the head of the pro-Moscow Chechen government, Doku Zavgaev, in the Russian delegation. Yeltsin thus acknowledged the Yandarbiyev government as the only legitimate representative of Chechnya. At the same time, the status of Chechnya was not discussed at the meeting.

The disruption of the cease-fire by the Russians in June indicated the Russian military's dissatisfaction with the May agreement. The violation occurred while the Chechen side demonstrated particular restraint; Chechen field commanders felt Yeltsin's reelection was in their interest and therefore they did not want to undermine his chances of victory by exacerbating the conflict.

In early June, representatives of the Russian government and the Chechen resistance held important talks in the Ingush capital of Nazran to implement the May 27 agreement. On June 10, Russian Nationalities Minister Vyacheslav Mikhailov and Chechen Chief of Staff Aclan Makhladov signed two protocols in Nazran: one on the withdrawal of Russian troops from Chechnya by the end of August 1996, and the other on the release and exchange of hostages and prisoners of war. Both sides agreed that elections to a new Chechen parliament, the People's Assembly, should be postponed until after Russian troops had withdrawn. Significantly, Zavgaev was excluded from the Nazran negotiations.

By late June, Chechen resistance fighters had come to believe that the Russian military was not ready to observe the agreements signed by the political leadership. In July, following Yeltsin's victory in the runoff presidential elections, the Russian military intensified operations in Chechnya, showing no sign of withdrawing its troops. Negotiations between Moscow and Chechen separatists came to a halt.

After the dramatic events of August 1996, when the Chechens reestablished control over large parts of Grozny and the cities of Gudermes and Ardon and inflicted heavy casualties on Russian forces, the newly appointed national security adviser, General Aleksandr Lebed, was charged by Yeltsin with finding a solution to the conflict. However, Lebed's peace initiatives seemed to receive lukewarm support from the federal government in Moscow, Yeltsin included. Moreover, it remains to be seen

whether the demilitarization of Chechnya, which began on August 28 with the massive withdrawal of Russian and Chechen troops from Grozny and of Russian troops from southern Chechnya, will bring long-lasting results.

THE IMPLICATIONS FOR RUSSIA

Yeltsin justified launching the war against Chechnya by citing the need to preserve the integrity of the Russian Federation. But Moscow's mangled operations in the republic make the possibility of any voluntary Chechen union with Moscow extremely unlikely. Not only is it difficult to imagine the Chechens voluntarily accepting their membership in a new nation forged out of citizens of the Russian Federation, but in the eyes of many Russians, the Chechens are not rightful citizens of the state. Although the Moscow media has been highly critical of Russian military actions in the republic, the image of the Chechens as criminals and terrorists—an image created by the same media between 1992 and 1994—has had a significant impact on Russians. According to a nationwide opinion poll conducted by the Russian Association for the Study of Public Opinion and Market in the spring of 1996, 54 percent of those polled did not want to live next to Chechens.

The war in Chechnya could also have broad implications for the development of Russian federalism. Since 1990, the Russian leadership has been aware of the fragility of ethnic federations. The disintegration of the Soviet Union only exacerbated Moscow's suspicion of ethnic autonomies in the Russian Federation. It has been argued by Western and Russian scholars that the creation by the Bolshevik government of republics named after titular nationalities, and the allotment of privileges to the titular nationalities on the territories of these republics, created an environment highly conducive to nationalism and facilitated the transformation of ethnic groups into full-fledged nations striving for political independence. During the Soviet period, titular nationalities in autonomous republics in the Russian republic enjoyed far fewer privileges than their counterparts in the Union republics and were—and still are—in most cases outnumbered by the Russians in their own regions. Moreover, the majority of Russia's ethnic republics do not have borders with foreign states, but are situated in the Russian heartland. Yet the fear that the Russian Federation might disintegrate along

ethnic lines has had a strong impact on the views and policies of the Russian government. The proclamation of independence by Chechnya reinforced this fear.

It was not ultranationalist leader Vladimir Zhirinovskiy, as is often erroneously assumed, but the Russian parliament's constitutional commission that in 1990 for the first time suggested that autonomous republics in the Russian Federation should be abolished. Instead, Russia's internal divisions would be made along economic-territorial lines. In 1992 and 1993, in his struggle against parliament, Yeltsin courted the leaderships of Russia's ethnic republics, trying to draw them to his side; the plans to abolish ethnic republics by incorporating them into neighboring, predominantly Russian, economic-territorial regions were shelved.

In the wake of the Chechen war, the plans to abolish the republics reemerged. In 1995, Deputy Prime Minister Shakhrai, the mayor of St. Petersburg, Anatoly Sobchak, and several other politicians revived plans to redivide the Russian Federation solely along economic and territorial lines. Shakhrai hoped that the plan would be implemented before the June 1996 presidential elections. This, of course, did not happen, and Yeltsin remains unsure whether he can curb the resistance such a move would inevitably provoke in the republics. But would the abolition of the ethnic formations save the Russian Federation from disintegration?

The Russian leadership probably exaggerates the danger of separatism by of the majority of ethnic republics. Since most republics are not economically and politically viable on their own, their political elites attempt to strike the most favorable economic and financial deals with Moscow rather than secede from the Russian Federation. Russia's ethnic republics were not even able to present a unified position on the Chechen war. Many leaders had their own agendas, and some did not want to complicate relations with Moscow. Moreover, the war in Chechnya failed to significantly increase public support for nationalist separatist parties in the majority of ethnic republics. Therefore, Moscow's treatment of ethnic republics as hotbeds of separatism and a threat to Russia's unity seems to be a mistake.

If the federal government in Russia remains weak and continues to lack coherent regional and economic policies, disintegration along regional-economic rather than ethno-federal lines will become

It is highly unlikely that Moscow will ever be able to fully curb the Chechen resistance to Russian rule.

much more likely. At the same time, the existence of ethnically based constituent units in the federation complicates the process of forging a new nation on the territory of the Russian Federation, viewed as a community of citizens united by common political institutions. Instead, structural divisions along ethnic lines stimulate the development of ethnic nationalism, which, in contrast to civic nationalism, often is an obstacle on the path to democratization. (Ethnic nationalism defines nationhood in terms of lineage, whereas civic nationalism defines it in terms of citizenship and political participation.)

The conclusion that the majority of ethnic republics do not pose any immediate threat to Russia's territorial integrity does not fully apply to autonomous entities in the North Caucasus, whose situation is different. The North Caucasus is the area with the largest number of territorial disputes and ethnic tensions in the Russian Federation. In contrast to Russia's other ethnic autonomies, titular nationalities in the North Caucasus often constitute a majority in their territories and all but one (Georgia) have a border with a foreign state. This makes their secession from Russia potentially easier.

Moscow has not worked out a clear plan of what to do with the North Caucasus. It has not been successful in helping to solve a territorial dispute between Ingushetia and North Ossetia or easing interethnic tensions in Dagestan, Kabardino-Balkaria, and Karachay-Cherkessia. These republics, especially Ingushetia and Dagestan, have been considerably affected by the war in Chechnya and the popular support for anti-Russian, separatist forces has grown there. Moreover, Moscow's pro-Ossetian position in the territorial dispute between the North Ossetians and the Ingush contributed to the growth of anti-Russian sentiments among the leaders of the main political movement in the North Caucasus, the Confederation of the Mountain Peoples of the Caucasus (as of 1992, the Confederation of Peoples of the Caucasus).

Established in November 1991, the movement strives to represent the political interests of all the Mountaineers. In 1992 it organized elections to a

parliament of the Mountaineers in which each ethnic group in the Caucasus was represented by three deputies. Some members of the movement began to call for the creation of a Republic of the Mountaineers, independent of Russia. However, there is no consensus on the creation of such a republic or on other issues among the Mountaineers and their leaders—a lack of unity Russia is using and will continue to use in maintaining its control over the area. Meanwhile, some Moscow politicians argue that it might be best to let troublesome areas in the North Caucasus secede. This view will hardly win the immediate support of the government, but in the future, if the North Caucasus remains unintegrated, it might be the only option left for Moscow if the Russian government takes democratization seriously.

THE FUTURE OF CHECHNYA

The Russian government continues to insist that any solution to the conflict in Chechnya should take place within the framework of the Russian constitution—that is, Chechnya should remain part of the Russian Federation. General Lebed claimed at the end of August 1996 that some Chechen resistance leaders are now willing to consider this option if it brings peace to their republic. But even if some Chechen commanders do eventually recognize that Chechnya needs some association with Russia in order to be economically and militarily viable and thus agree to a status of broad autonomy that falls short of full independence, it might not be seen as acceptable to the majority of the Chechen resistance movement. It is highly unlikely that Moscow will ever be able to fully curb the Chechen resistance to Russian rule.

Given how much has been embezzled from the state funds Moscow has allocated for the restoration of Chechnya's completely devastated economy and cities, the republic's economic recovery is unlikely in the foreseeable future. If the Moscow government persists in its determination to preserve control over Chechnya, the republic will continue to be a source of political instability and a significant economic burden, and therefore an impediment to Russia's democratization. ■

"The [Russian] economy has been opened up to the influence of international economic forces, and many key decisions are being driven not by the whims of planners in Moscow but by price signals emanating from London, Frankfurt, and New York. It is the international dimension that [explains] how Russia can simultaneously experience a boom and a slump in economic performance, and reform and stagnation in institutional change."

Russia's Unsteady Entry into the Global Economy

PETER RUTLAND

Russia has come a long way since 1991 in opening its economy to the outside world. Hundreds of Western firms have established themselves in Moscow. The ruble has become a convertible currency, and Russian consumers have gained access to a wide range of Western consumer goods. Moreover, despite its repeated pleading for loans from the IMF, Russia has increased its exports to the developed economies and has been running a trade surplus in excess of \$15 billion a year.

But the optimistic projections of the liberal economists who advised the Russian government to launch "shock therapy" in January 1992 have not yet borne fruit. The rise in Russian exports has not been accompanied by a revival of Russia's domestic economy. On the contrary, many critics suggest that this growth has come at the expense of Russia's economic development. The trade boom has been driven by the export of oil, gas, and metals. Russian nationalists call this the "Kuwaitization" of the economy, and complain that their country has become "a raw materials appendage" of the imperialist West.

In more measured tones, one can acknowledge that Russia's incorporation into the global economy has taken the form of shallow integration—a rise in trade with the developed capitalist economies—and not deeper integration, which would involve structural change, such as an increase in foreign invest-

ment. Many important projects in the oil and gas sector remain in limbo because of political infighting and legal confusion. The prevailing pattern of trade has led to intense conflicts within the Russian political system, which makes the future course of Russia's international economic relations somewhat unstable.

BOOMING MARKETS AMID DEPRESSION

Five years into its economic transition, Russia's economic record is a mixture of unexpected successes and lingering failures. The private sector accounts for some two-thirds of economic activity (more if one includes the shadow or informal economy). Most Russian firms now operate as independent joint-stock companies, setting their own prices and seeking their own customers and suppliers without being subject to the dictates of central planners. Few would have expected the entrenched cadres who ran the Soviet economy to have so readily switched to the market, but the collapse of the central planning system in 1991 left them no choice. A dynamic financial sector has emerged as if from nowhere, with 2,500 commercial banks aggressively pursuing profits and creating new financial instruments at such bewildering speed that legislators and regulators cannot hope to keep up with them.

Almost as remarkable as the emergence of market institutions has been the government's ability since 1994 to bring down inflation by kicking the habit of printing money. Consumer prices rose by just 0.7 percent in July 1996. If sustained, this would mean annual inflation for 1996 of between 20 and 25 percent, down from 215 percent in 1994

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and 130 percent in 1995. The ruble is more or less holding its value in real terms against the dollar. In 1995 the budget deficit was held to 3.9 percent of GDP, according to official calculations. The IMF was sufficiently confident in the government's stabilization program that in March 1995 it granted a \$6.5 billion standby loan and a \$10.1 billion extended fund facility one year later.

However, progress in some directions sits alongside the absolute lack of change in many sectors of the economy. Agriculture remains almost entirely unreformed. State and collective farms have changed their legal name, but continue to function as before—except they are starved of the subsidized fuel, fertilizer, and machinery on which they depended in the past. The nation's 200,000 private farmers lack capital, are denied the best land, and account for less than 5 percent of the nation's food production. Many urban families rely on their garden plots to supplement their diet.

Most worrying of all is the fact that, despite the surprisingly rapid emergence of market institutions, output continues to plummet. Industrial and agricultural production has slumped by about half since 1991. Optimists argue that much of the lost output was "negative value added"—the production of military hardware, grandiose irrigation projects—that would have no value in a market economy. Even allowing for this, however, it is clear that the production of items that industry and consumers would find useful (oil, trucks, clothes, food) has fallen and continues to fall.

In short, the Russian economy is experiencing a structural collapse that dwarfs the Great Depression in the United States, and the turnaround is not yet in sight. On the positive side, Russia's depression has brought about some much-needed change. Services rose as a proportion of GDP from 43 percent in 1993 to 53 percent in 1995, while manufacturing fell from 50 percent to 29 percent.

The deep fall in output has eroded the country's tax base, making it difficult for the federal government to raise revenue to pay for national programs—defense, pensions, and subsidies for outlying regions of the Far East and Arctic north. To a worrisome extent, the government's success in macroeconomic stabilization has involved shoving the costs of adjustment onto those in society least able to object: peasants, pensioners, and workers.

The growing fiscal imbalance threatens to overwhelm the government's achievements in monetary policy. In order to cover the gaping budget deficit, which had risen to some 6 percent of GDP by mid-

1996, the government began selling treasury bills (many bought directly by the Central Bank), and has tolerated the issuance of bills of exchange of dubious provenance by banks and enterprises. These machinations could unleash a financial crisis worse than those of October 1994 and August 1995, and cause a fresh round of inflationary money creation.

Yet with each passing year the government's ability to regulate the new financial institutions improves. It is possible that Moscow will manage to preserve monetary and price stability even amid a collapsing economy. President Boris Yeltsin's reelection this July adds weight to the optimistic interpretation despite a distressing flurry of pre-election largesse that saw Yeltsin spend around \$4 billion clearing the backlog of wage and pension arrears. Russia's economic policy will remain in the steady hands of Prime Minister Viktor Chernomyrdin, who has been at the helm since December 1992.

RAW DOGS AND RAW DEALS

An important feature of the wrenching process of economic adjustment has been a sharp increase in inequality between social groups and between regions. Moscow and some other metropolitan centers are experiencing a boom, but most of the rest of the country has slipped into a subsistence mode of existence. While the New Russians enjoy \$4,000 dinners in Moscow, the children of coal miners in the Far East are hospitalized with tapeworm because they have been eating improperly cooked dog meat.

This situation is so contradictory that one assumes it must be transitory. Because Russia is still in flux, the argument goes, one can expect market forces to finally prevail—next year, maybe the year after. The alternative is that Russia could succumb to a restoration of the socialist economy. In fact, neither of these futures is particularly realistic, and Russia will probably remain trapped in its contradictory state for the foreseeable future. A glance at China, Brazil, or India suggests that uneven development of the sort Russia is experiencing may well be an integral feature of the modern capitalist economy. Russia's contradictions stem not from its uniqueness when confronted with modernity, but are a sign that it has re-joined the modern world economy.

How is it possible that a society can simultaneously witness an accumulation of wealth and a rise in poverty? How can it be that some sectors of the economy are experiencing a boom while others are

RUSSIA'S ECONOMIC PERFORMANCE

	1995	PERCENT CHANGE OVER 1994	FIRST HALF 1996	PERCENT CHANGE OVER FIRST HALF 1995
GDP	1,659	-4	1,065	-5
INDUSTRIAL OUTPUT	989	-3	618	-4
AGRICULTURAL OUTPUT	276	-16	110	-7
CAPITAL INVESTMENT	250	-13	133	-14
EXPORTS (\$ BN)	77.8	+18	41.6	+5
IMPORTS (\$ BN)*	57.9	+15	30.2	+11

Note: all figures in trillions of rubles unless otherwise indicated.

*Includes estimates of unrecorded activity

Source: Goskomstat, cited in *Delovoi mir*, January 17, 1996, p. 3; *Finansovye izvestiya*, August 6, 1996, p. 1.

stagnant? The key factor to bear in mind is that the Russian economy is no longer functioning as a closed system. The economy has been opened up to the influence of international economic forces, and many key decisions are being driven not by the whims of planners in Moscow but by price signals emanating from London, Frankfurt, and New York. It is the international dimension that explains how Russia can simultaneously experience a boom and a slump in economic performance, and reform and stagnation in institutional change.

Liberalization has made foreign trade highly profitable, and the export-oriented sectors are wealth-generating islands in a sea of economic recession. The proceeds of the export industries are divided between the elites who control the extractive industries (symbolized by Chernomyrdin, the former head of the natural gas monopoly Gazprom) and those who run the new commercial banks. Perhaps 65 to 75 percent of these elites come from the ranks of the Soviet nomenklatura. The remainder are new entrepreneurs, with a diverse range of previous careers—from the academy to the criminal underworld.

Given the political and economic instability in Russia, businessmen and corporations generally prefer to put their proceeds from trade into foreign bank accounts or real estate rather than invest in

new oil wells or assembly plants in Russia. Favored locations include Cyprus, London, and the French Riviera. The liberalization of foreign trade has provided them with this option and, like capitalists in Argentina and Brazil, they have seized it with a vengeance. Capital flight by individuals and corporations runs at between \$10 billion and \$15 billion a year and totals some \$40 billion to \$50 billion since 1991. (Only a fraction of this sum is captured in official trade statistics.) With the genie now out of the bottle, the government faces the daunting task of trying to lure this money back into Russia. In order to understand how this state of affairs arose, it is worth reviewing the development of Russia's foreign economic relations since 1991.

FOREIGN TRADE: PAST AND PRESENT

Even during the Communist era, Russia was not cut off from the world economy. The Soviet Union traded heavily with Eastern Europe and to a lesser extent with the West, but this trade accounted for less than 20 percent of Soviet GDP and took place under strictly monitored conditions. The situation became more dynamic in the 1980s. The rise in world oil prices in the 1970s was a boost for the Soviet economy, but the stagnation of oil prices and the fall in the United States dollar after 1985 dented Soviet export earnings and increased the economic

heat on President Mikhail Gorbachev, who ran up international debts of \$67 billion in order to fund perestroika, his economic restructuring program.

Since 1991 the exposure of Russian economic decisionmakers to the pressures and incentives of the global economy has increased significantly. This applies equally to consumers, industrialists, and politicians, although the impact on these groups has been unevenly distributed.

Soviet exports stood at about \$59 billion in 1990, of which \$11 billion went to Eastern Europe. (Official Soviet figures showed exports of \$104 billion, with \$52 billion going to Eastern Europe; measuring foreign trade in the planned economy was an inexact science.) The Soviet trade balance deteriorated from a \$4 billion surplus in 1985 to a \$5 billion deficit in 1989 as the ailing economy sucked in more imports, which were paid for by international loans.

Since 1991, Russia has seen a sharp fall in trade with Eastern Europe and a boom in exports to the West. The Council for Mutual Economic Assistance (COMECON) system of centrally negotiated trade between the Eastern European states (denominated in the elusive "transferable ruble") suddenly collapsed during the 1990-1991 fiscal year. Customers in Eastern Europe and Russia lacked the dollars to purchase imports outside the COMECON system, so by 1993 the trade volume between Russia and its COMECON partners had fallen to 20 percent of the previous level. Eastern Europe's share of Russian foreign trade fell from 44 percent in 1990 to 24 percent in 1993.

Most trade restrictions and price controls were lifted as part of the shock therapy launched by Deputy Prime Minister Yegor Gaidar in January 1992. Limits on dollar transactions were eased and the ruble became for most practical purposes a convertible currency. Enterprising Russian businessmen soon found customers for the country's oil, gas, metals, minerals, and timber in the West.

The export boom has been sustained despite the continuing recession in the domestic economy. Exports to countries beyond the Commonwealth of Independent States (CIS) slumped in 1991 but began recovering in 1992, and by 1995 had grown above the 1991 level. Imports fell by nearly half after 1991, and only started to grow again in 1994. These trends continued in 1995: exports to countries beyond the CIS rose 25 percent and imports rose 12 percent, while exports to the CIS fell. Only in the first half of 1996 was there an increase in the share of trade with the CIS.

Most of the rise in exports was due to an increase in the volume of shipments. The prices of core Russian export commodities such as oil, aluminum, and copper fell during most of the period between 1991 and 1995, not least because of the flood of Russian products onto the world market. In 1995, for the first time, the Russian terms of trade improved by about 10 percent.

Imports such as grain that were paid for out of the federal budget fell from \$30 billion in 1991 to \$12 billion in 1993. In their place Russian consumers started to show their preference for Western products. Imports probably account for 50 percent of the consumer goods now sold in Russia. The 1992-1993 fiscal year saw the rapid "dollarization" of the domestic economy, as consumers and firms fled from the rapidly inflating ruble. Perhaps one-quarter of the transactions in the Russian economy are denominated or paid for in United States dollars. With an officially reported average wage of approximately \$120 per month, however, most Russian consumers will be buying more Snickers bars than television sets.

Russia's trade with CIS members deserves separate mention. For Russia's neighbors, economic reform has generally been slower, and economic decline even steeper, than for Russia itself. Russia continued to subsidize these countries through 1992 and 1993, but thereafter Moscow radically cut the level of indirect subsidies. Russia continues to have problems getting Belarus and Ukraine to pay for their energy deliveries, however. Even though Russia has switched to dollar accounting and advance payments for most of its trade with CIS countries, their indebtedness grew to around \$9 billion by the end of 1995.

Although Moscow has a geopolitical interest in maintaining a sphere of influence in the territory of the former Soviet Union, it is no longer willing to shoulder the economic burden. In what could be the birth of a Russian variety of "neocolonialism," Russian firms have shown a strong interest in acquiring assets in CIS countries—proposing debt-equity swaps with gas transit companies from Moldova to Lithuania, for example. Russian oil and gas companies such as Lukoil have become active in development projects with Azerbaijan and Kazakhstan. Russia is able to hold these countries hostage because of their current dependence on pipelines across Russia for access to Western markets. In November 1995, for example, Lukoil won a 33 percent share in the project to exploit the Karabakh field in the Caspian Sea.

ASSESSING THE EXPORT BOOM

While Russia's ability to expand its exports to the West is good news, there are several reasons to doubt whether it will provide a sustainable, long-run basis for Russia's integration into the global economy. First, it is important to distinguish between trade creation and trade diversion. The former contributes to economic growth; the latter just involves switching from one customer to another. Since 1991 Russia has seen more trade diversion than creation because the surge in exports to the West has coincided with a slump in trade with the other former Soviet republics and with the former Eastern European trading partners. Russia's failure to experience trade creation and an export-led growth recovery can be attributed to the severe dislocation of domestic economic activity; the breakdown of trade with Eastern Europe; and the maintenance of trade barriers for key commodities in the West.

Second, a look at the commodity composition of Russian exports provides some evidence for the Kuwaitization of the Russian economy—that is, the expansion of natural resource exports and a slump in foreign sales of high value-added industrial products. Western advisers had suggested that rapid trade liberalization would lead to an increase in manufacturing exports, thanks to Russia's combination of low wages and a highly skilled workforce. This scenario failed to materialize. Russian manufacturers lost their protected markets in the former Soviet Union and Eastern Europe, and at home were exposed to an influx of imports, from clothing to electronic goods, that were better designed, more technologically advanced, and often cheaper than their Russian counterparts.

Energy alone accounts for about 40 percent of Russian exports, and precious stones, metals, and chemicals make up most of the remainder. Such basic products do not encounter any quality problems in Western markets, and their export is encouraged by the fact that energy prices continue to be regulated within the Russian economy despite repeated promises to the IMF to end such practices. Oil and gas sell for about 70 percent of the world market price, but many Russian customers do not pay their bills, so the actual price paid is even lower. The availability of energy at below world prices makes it easy for metals producers to undercut rival suppliers on the global market. At the same time, the low domestic price makes it advantageous for oil and gas producers to sell to Western Europe.

These points about relative pricing suggest that

the export boom may be a house built on sand. Russian energy and mining industries have one foot in the world market and the other in the grave of the command economy. The export boom has in part been predicated on the slow pace of the development of the market economy. The persistence of price differences also helps explain another striking feature of the Russian transition economy—its failure to recycle the proceeds from exports back into the domestic economy.

SHOCK THERAPY AND THE SCHIZOPHRENIC ECONOMY

Russia has developed a schizophrenic economy, and there is a real danger that the core export sectors, such as energy and metals, could be dragged down by the continuing domestic recession. Non-payments by Russian customers of the energy industries, including government budget organizations, is a chronic problem. During the high inflation years these debts wiped themselves out within months, and the economy had a sort of dynamic stability. With the slowing of inflation and the tightening of monetary policy, the debt problem has become more severe. In 1995, efforts by energy producers to cut off supplies to housing districts and military bases provoked a political storm, and that September a decree was issued banning such actions. However, the same problems resurfaced in the summer of 1996.

Even within the energy industry itself, money is not being recycled from the foreign trade operations to the producers in the oil and gas fields of western Siberia. Oil and gas firms are among the worst offenders when it comes to delays in the payment of wages to their workers. Paradoxically, in November 1995 one of Russia's major oil producers, Nizhnevartovskneftegaz, was effectively put into receivership because it was unable to pay wages or taxes. Many steel mills and timber processors face a similar plight. The ruptures in the internal economic system mean that even the export sectors are not getting the investment they need; oil output continues to fall approximately 3 percent a year.

The government remains bitterly divided over how to resolve the contradictions in Russia's foreign trade. The existing system initially arose out of the principled commitment of the members of the Gaidar team to trade liberalization. They were mostly eased out of office in 1992, but the reforms they instituted remained largely in place. Since then, the main pressure for further liberalization has come from Russia's international lenders. The

leading reformer who stayed inside the government was First Deputy Prime Minister Anatoly Chubais, who orchestrated the privatization program and then took overall responsibility for economic policy from November 1994 until his dismissal in January 1996. Chubais favored pressing ahead with full liberalization, while Oleg Davydov, the minister for foreign economic relations, called for a return to stricter controls. In political terms, Davydov seemed to be winning the argument, since protectionism was one of the few policies around which the politicians in the fractious Duma could unite. However, real power lies with the president and his government, and there the commitment to moderate reform remains strong.

The big losers in Russia's trade liberalization have been the nation's farmers and food processors, light industries (such as textiles), and manufacturers of consumer goods (such as televisions).

Defense plants have seen their orders slump by more than 80 percent, and civilian heavy engineering has not done much better. Some manufacturers have fared better than others. Automakers have seen truck sales collapse because of the decline in military and farm orders, but most have seen auto sales hold up, helped in part by steep tariffs on car imports and the absence of foreign-owned assembly plants. The defense industry lobby still has many representatives in the lower reaches of the government, but it has consistently lost out in Kremlin power struggles. It lacks money—a crucial political commodity in modern Russia—and is disoriented and somewhat discredited because of its close association with the failed Soviet political system. The industry has pinned its hopes on finding new foreign customers for Russia's space, aviation, and nuclear technologies, and on a revival of Russian arms exports. Russia's share of global arms deliveries jumped from 4 percent in 1994 to 17 percent in 1995, but this still represents only some \$2 billion a year—much less than the profits of the energy barons.

DOWN THE RUBLE CORRIDOR

The government realized in 1995 that the only way to make Russia an attractive place for Russian investors—let alone foreign ones—was to create a climate of political stability and low inflation. Moscow was able to build on their tight monetary policy and introduce a “ruble corridor” in July

1995. The Central Bank announced that for the next three months it would intervene to keep the ruble's value between 4,300 and 4,900 to the dollar. The corridor was extended until this May, when the government switched to a crawling peg system that allows the ruble to gradually depreciate in line with domestic inflation. At the same time, the Central Bank announced that Russia would conform to IMF rules on current account convertibility. Investors welcomed the predictability and stability that came with a managed exchange rate, but the move angered commercial banks, which had profited from currency speculation. Oil and metal producers also complained that by slowing the depreciation of the ruble the corridor made exports much less profitable—yet the figures show that exports have in fact continued to rise.

The nominal exchange rate went from 3,560

rubles to the dollar on January 1, 1995, to 4,630 rubles on December 31, 1995. Allowing for domestic inflation, this means that the real value of the ruble appreciated approximately 30 percent in 1995. In 1996 the ruble has fallen gradually, to 5,230 rubles to the dollar on July 31. Foreign exchange reserves rose from \$3 billion to \$11 billion over the course of 1995, but fell back to \$4 billion after the bout of pre-election spending in the spring of 1996.

The main issue over the past year has been continuing pressure on the government from the international

business community, principally the IMF, to complete trade liberalization. However, this pressure has met resistance from domestic lobbies, which stand to lose from the changes, and from the Finance Ministry, which regrets the lost revenue.

CAVEAT INVESTOR

Despite the opening of the economy to trade, foreign investors remain wary of Russia's political and economic uncertainty. Direct foreign investment totals some \$5.5 billion, with approximately \$1.9 billion in 1995. This compares dismally with the \$83 billion that flowed into China between 1984 and 1994, and the \$10 billion invested in Eastern Europe.

In theory, investors should be attracted by the large untapped markets, cheap labor, and vast natural resources. In practice, investors have been scared away by political uncertainty, crime, corruption, and the legal system's inability to enforce contracts. Foreign corporations need to establish close

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ties with a Russian partner to steer through the political and legal minefields, and even this is no guarantee of success. There are no restrictions on profit repatriation (except for operations with treasury bonds), and although the 1991 investment code guarantees foreigners equal rights, it does not provide them with any special incentives.

One of the biggest investment projects on the horizon is the \$40 billion plan to rebuild the telecommunications system. However, the Russian government has not been able to strike a deal with a foreign partner. A plan to sell 49 percent of the Svyazinvest telecommunications holding company collapsed in December 1995 when the winner, the Italian company STET, withdrew its \$1.4 billion bid three weeks after the auction, claiming financial misunderstanding.

The largest single deal in dollar terms was the government's 1990 agreement with South African-based De Beers, giving the company the right to market 95 percent of Russian diamond exports in return for a \$1 billion credit. Diamond exports bring in more than \$1 billion annually for Russia, although De Beers has repeatedly accused Russia of selling more than its quota on the world market. Only after acrimonious negotiations was the deal extended in 1996.

In the crucial oil and gas production sector, about a dozen joint ventures with foreign investors are actually in operation. Russian corporations often form alliances with provincial authorities in the oil regions to block foreign projects. France-based Elf-Aquitaine's 1992 deal in Saratov in western Russia was delayed by political deadlock with regional authorities and even now is still not pumping oil. In March 1994, Marathon, Shell, Mitsui, Mitsubishi, and McDermott agreed to move ahead with a \$10 billion oil development project in Sakhalin in the Russian Far East, but two years later the ground has not yet been broken. Talks with Texaco and Norsk Hydro for development of the giant Timan-Pechora field in the far north (requiring an \$80 billion investment) have dragged on for three years. In general, the Russians are balking at the 17 to 25 percent rates of return that Western firms require for projects inside the former Soviet Union.

MARSHALLING IMF SUPPORT

After the Soviet Union's dissolution, supervision of the integration of Russia into Western markets was left in the hands of international financial institutions. (Russia became a full member of the IMF in June 1992.) No special agencies were created along the lines of the Marshall Plan to coordinate the

transition. Western governments have tried to use debt negotiations to force Moscow to implement liberalization and stabilization policies. The evidence from the third world suggests that this approach can help reduce balance of payments deficits, but has a mixed impact on growth and a negligible impact on inflation. A similar picture is emerging in Russia.

Relations between Russia and the IMF have fallen into a familiar pattern. An IMF mission flies to Moscow and lays down stringent conditions for the next standby loan or G-7 package. The Russian government haggles, but eventually agrees to take steps to free energy prices, lift export restrictions, and meet targets for the budget deficit and monetary growth. The weeks turn into months, and for one reason or another the Russian government fails to meet the IMF conditions. Nevertheless, so as not to embarrass the reformist wing of the Russian government, some fraction of the promised loan is dispatched. And then the cycle begins anew.

In April 1992 the G-7 countries announced a \$24 billion aid package (of which \$10 billion was in the form of debt relief). Russia failed to meet the conditions laid down by the IMF for disbursement of the loan, and most of the package was not paid out. All sorts of promises were made as the April 25, 1993, referendum on confidence in Yeltsin's policies approached, including a \$49 billion aid package and a new IMF facility that would transfer between \$4 billion and \$6 billion to the former Soviet Union without the sort of strict conditionality usually attached to IMF loans. In 1994 and 1995, the World Bank granted Russia \$2.9 billion in loans.

In late 1994 Moscow said it intended to cover half the projected budget deficit for 1995 by selling \$12 billion in securities in international markets, a strategy that hinged on IMF approval of the budget. The government signed a memorandum with the IMF in September 1994, and 1995 was the first year IMF conditions were broadly adhered to.

Negotiations continued over Russia's international debts, which reached \$130 billion by the end of 1995. (Of that sum, \$19 billion comprised new Russian debts; the remainder was accumulated interest and payments on the Soviet debt.) In June 1995, the Paris Club of government creditors agreed in principle to reschedule the \$36 billion owed them by Russia. Repayment of principal is to take place over 25 years, beginning in 2002. In November, a similar deal was drawn up with the London Club of commercial lenders, who hold some \$28 billion of Russia's debt.

Russia's debt problem reminds one of the adage: "If you owe the bank a little money, the bank owns you. If you owe the bank a lot of money, you own the bank." It seems as if the international community cannot afford, politically or economically, to push Russia into default. But the ongoing problem of Russia's unpaid debts is not reassuring to new investors.

AN EMBRACE AT ARM'S LENGTH

Aside from rolling over Russia's huge debt, the Western powers have shown only modest enthusiasm for Russia as a new trading partner. In June 1992, the United States granted Russia most favored nation (MFN) status, and in January 1993 Russia was awarded General System of Preferences (GSP) status by the European Community. This means in principle that Russian exports should be subject to the same tariffs as those from other countries. (The average GSP tariff is between 1 and 2 percent instead of between 6 and 7 percent).

However, in international trade treaties the devil is in the details. In practice, a variety of exemptions mean that Russian goods encounter an average tariff level of 7 percent in Europe and 5 percent in the United States and Japan—almost twice that faced by developing countries. In addition, many of Russia's key exports have been subject to nontariff barriers, with Russia accused of dumping goods on Western markets at less than production cost. By 1993 European Community quotas affected 40 per-

cent of former Soviet food exports, and 68 percent of metals exports. In 1994 Russia had to introduce voluntary restrictions on aluminum exports to forestall antidumping action by the United States and European Union. In June 1994 Russia signed a cooperation agreement with the EU that created a vague agenda for lifting trade barriers, while postponing talks on free trade until 1998.

EU membership is an impossible dream for Russia. Even Russian entry into the new World Trade Organization seems unlikely in the immediate future. Foreign Economic Relations Minister Oleg Davydov complained that the other countries "are already sitting at the table, and we are standing at the door." (In June 1993 Russia had been informed that it would be denied entry to the General Agreement on Tariffs and Trade because of the price distortions in its internal market and the lack of an adequate system for registering exports and imports.)

The more problems Russia has in gaining access to world markets, the more difficult it will be for the dwindling band of economic liberals in Moscow to prevent the formation of a protectionist coalition that would try to revive Russian manufacturing and farming behind high tariff barriers. However, the global economy today is dominated by increasing interdependence and a steady increase of cross-border flows of goods, capital, and labor. Based on the experience of the past four years, the Russian state is in such a debilitated condition that it is unlikely to be able to stand up against such forces. ■

Talk of a post-Soviet empire "has resurfaced and Western policymakers are considering whether an enlarged NATO will have to stand once again as a bastion against Russian expansion. In the weak and divided international community of the early 1920s, the Soviet Union succeeded in establishing itself and incorporating by force many of the territories of the former Russian empire. Would the international community allow a similar process to repeat itself today?"

Russian Foreign Policy in the Near Abroad and Beyond

KAREN DAWISHA

Boris Yeltsin's victory in the 1996 presidential election marked further progress in Russia's consolidation of democracy and movement toward a free-market economy. Yeltsin won, however, not least by shifting to the right in foreign policy and by advocating the pursuit of Russia's great power interests in the neighboring former Soviet republics—the so-called Near Abroad. In so doing he prevented the Communists from taking over the presidency, but his rightward shift was too late to prevent them or their allies from gaining control of the Duma, the Russian parliament, in the December 1995 elections. Thus, even with Boris Yeltsin as president, Russian foreign policy for the foreseeable future can be expected to be more assertive toward the West and more oriented toward reestablishing Russian primacy on the Eurasian continent.

Russia, however, currently lacks the capacity to reassert imperial control over the newly independent states of its former empire. The Russian military doctrine adopted in 1993 emphasizes war prevention and the maintenance of military sufficiency and eschews earlier doctrinal commitments to war fighting in forward areas and conventional superiority. The new doctrine sees two major roles for the Russian military: preventing local wars that

might arise from secessionist claims (as in the fight for independence by the breakaway Chechen republic in southern Russia) and de-escalating conflicts in lands adjacent to Russian territory that could imperil Russian interests and spill over into Russia proper (as in the conflicts in the Georgian provinces of Abkhazia and South Ossetia). Moreover, in the five years since the break up of the Soviet Union, the Russian military has shrunk by more than half its peak level in the mid-1980s, and the call-up to go to war in Chechnya and other hot spots has produced widespread draft dodging.

Although Russia's ability to achieve imperial aims by force is currently limited, observers worry that the imperial idea may nevertheless be reborn, presaging a future round of expansion. While neither elite nor public opinion presently favors such a resurgence, there are minority currents in both that deserve examining.

THE DRIFT TO THE RIGHT

Beginning in 1993, the liberal, pro-Western orientation of Russian foreign policy, which had virtually ignored the Near Abroad in favor of reliance on ties with Europe and America, gave way. The 1993 and 1995 Duma elections and the two rounds of this summer's presidential election showcased right-wing leaders and parties that supported the expansion of Russian borders; these included the Liberal Democrats (led by Vladimir Zhirinovskiy), the Communists (led by Gennadi Zyuganov), and the Congress of Russian Communities (led by retired General Aleksandr Lebed).

Under unrelenting pressure from the right, liberal and centrist politicians have increasingly had to con-

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cede that the Near Abroad should be a zone of Russian rights and interests. Even President Yeltsin's election platform stated that the two top priorities of Russian foreign policy were "the achievement of the utmost integration of the CIS [the Commonwealth of Independent States—the regional organization to which most of the former Soviet republics acceded after the Soviet Union collapsed] countries on a voluntary and mutually advantageous basis and the active protection of the rights and interests of fellow-countrymen in the near and far abroad." In contrast, the improvement of Russian-American relations was not even mentioned among his priorities if elected, reflecting the political sensitivity of his prior commitment to that relationship.

After the first round of the presidential election, Yeltsin boosted his chances in the runoff by turning to the right and appointing General Lebed as his national security adviser. It had been Lebed's charisma and his reputation as an incorruptible supporter of law and order more than his hawkish stance on foreign policy that had won him over a sixth of the popular vote in the first round. Yet his new position undoubtedly assured his ability to shape future policy toward the Near Abroad.

The problem for Yeltsin in allying with Lebed and other rightist leaders is that many of them vehemently support the redrawing of borders by force and have only a lukewarm commitment to democracy and the rule of law. In 1991 and 1993, Communist and right-wing leaders attempted to take power by force, and they have remained active on the political stage. Even after being appointed national security adviser, Lebed labeled himself only a semidemocrat, and Yeltsin's own inner circle includes advisers who have favored both a get-tough policy toward Russia's neighbors and the use of extralegal means to ensure that Yeltsin stays in control. Given the connection between the antidemocratic and pro-imperial ideas of these groups, the further entrenchment of the latter could undermine democracy. Conversely, the further institutionalization of democracy should also weaken the force of imperial ideology.

Yet the institutionalization of democracy will not automatically or immediately decrease the influence of these groups since they do control the Duma. Although the Duma's powers are limited, it can and has passed any number of nonbinding resolutions that force a government response and shape the general political environment in which policy is made. Duma actions have included calls for military-basing agreements with all countries on Rus-

sia's borders; promotion of dual-citizenship agreements with Russia's neighbors; denunciation of preferences for the titular nationality in neighbors' citizenship laws; the elimination of Belarus's central bank as a precondition for accepting Belarus's request for economic union with Russia; a declaration of Russian sovereignty over Sevastopol, the Ukrainian port in the Crimea where the contested Black Sea Fleet is headquartered; and a resolution annulling the agreements that brought about the end of the Soviet Union.

The Duma's failure to deal with what are seen as more pressing domestic concerns has led to a decline in its reputation among the populace. Public opinion polls have consistently shown the people's low interest in foreign policy as compared to their concern with the rule of law, the fight against crime, and, above all, domestic economic recovery. In the December 1995 Duma elections, parties that were perceived as capable of dealing with foreign policy but less capable of addressing the country's economic ills (such as Lebed's Congress of Russian Communities) typically did not receive the 5 percent of the vote that would allow representation in the Duma.

Public opinion has also shown that while nostalgia for the Soviet era is widespread, the people are completely unwilling to use Russian troops to forcibly restore the Union. The revulsion at the loss of Russian life in the fight against the Chechens has shaped popular sentiment against imperial expansion abroad: polls repeatedly have shown that almost three-quarters of the population reject any form of reestablishment of the Union, and among those who support such an end, only 5 percent would sanction the use of force.

RUSSIA'S "NATIONAL SECURITY ZONE" DEFINED

While Russia is unlikely to seek the forcible reestablishment of empire, the country's leaders have moved clearly to mark out the Near Abroad as their "national security zone." As the largest and strongest country of the former Soviet Union, and the one that has benefited most from the institutional inheritance of the Soviet state, Russia has enormous comparative advantage. Thus, Russia has used its position as the least dependent economy in the former Soviet space to exert economic pressure, especially through the supply or withholding of energy or access to Russian-controlled pipelines. Because of the comparative weakness of most of the new states, Russia is able to exert enormous leverage with relatively little effort. The way Russia has been able to shift between the Armenians and the

Azerbaijanis—supplying energy to one side and then the other—shows that it can punish and reward without suffering significant or proportionate losses.

That Russia has been willing to provide substantial energy and trade subsidies makes clear the extent to which it is concerned about not destabilizing the newly independent countries. According to IMF estimates, Russia provided \$17 billion in goods at concessionary and subsidized prices in 1993 alone—making it the single largest aid donor to the other newly independent states in that year. Furthermore, in February 1996 Russia and Belarus signed an agreement renouncing mutual debts, including the \$600 million (plus the millions in penalties) Belarus owed to the Russian natural gas monopoly Gazprom.

Russian leaders encouraged all the former republics to join the Commonwealth of Independent States, which originally included a joint military command dominated by Russia. While currently incapable of mounting and maintaining a large-scale military operation beyond Russia's borders, the Russian military—via a network of formal basing agreements, contingents “temporarily” stationed abroad, a unified air defense system controlled by Moscow, and peacekeeping missions sanctioned by regional treaties—is the only force in the Eurasian space capable of sustained significant influence in the other states of the Near Abroad.

Russia's commitment of 25,000 troops to Tajikistan, its legal claims to Crimea, and its pledge to protect ethnic Russians living abroad are issues that spring from different situations and political motivations. But they reflect an overall consensus in Russia that the former Soviet area constitutes a natural russophone zone over which Moscow has “always” been able to exercise influence. Even President Yeltsin, whose initial foreign policy views emphasized international and Western links, has come to embrace the notion that “the sphere of Russia's economic, political, and humanitarian interests extends to the entire post-Soviet space.”

One reason for this stance is that Russia lacks a regional alternative to cooperation with the other new states. While it is abundantly richer in natural resources than its neighbors, the psychological and organizational detritus of the Soviet era has created barriers to cooperation with new partners. Whereas in the 1960s Britain and France could simultaneously pursue decolonization in Africa and Asia and integration in Europe, Russia has little alternative but to pursue decolonization in Eurasia even as it

seeks regional reintegration with countries in the region. Naturally, such a policy is fraught with the potential for misunderstanding.

Indeed it is difficult to read the official “Strategic Course of the Russian Federation” with the CIS countries without wondering whether the successful pursuit of this course could pave the way for a de facto imperial reassertion. The document is a clear statement of Russia's assertion of great power status over the other states. It asserts that Russia's main objective toward the CIS is the creation of “an economically and politically integrated association of states capable of claiming its proper place in the world community”; that Russia should be “the leading force in the formation of a new system of interstate political and economic relations”; and that when working with the UN and the Organization for Security and Cooperation in Europe on peacekeeping in the CIS, “it is necessary to seek their agreement that this region is primarily a zone of Russian interests.”

CONTINUED COEXISTENCE

Many of Moscow's actions toward the Near Abroad since independence have met a stern rebuff. Indeed, it could be said that a central feature in the national identity of many of the new states is the imperative of resistance to any renewed Russian drive.

This resistance to Russian control is especially apparent in Latvia and Estonia, western Ukraine, western Moldova, Azerbaijan, and within Russia itself in the North Caucasus. It is less prevalent in Central Asia, Armenia, Georgia, eastern and southern Ukraine, eastern Moldova, Belarus, and Lithuania. In the first group there is a solid consensus among the elites and the population that independence means independence from Russia; the situation in the latter group is not so clear cut. Historic memories of Russia as a savior of local populations, common Slavic and Orthodox roots, an economic infrastructure still centered in Moscow, and russo-phone elites or large numbers of Russian nationals settled in and intermarried with the local population all lend themselves to Russia's continued coexistence with these countries.

This coexistence has under certain circumstances translated into significant Russian influence. In Georgia both the Abkhaz separatists and the Georgian state authorities called on Russia for military support to tip the balance in their favor and then to maintain the peace once the threat of separatism had subsided. In the process, the Georgian govern-

ment acceded to Russian demands for military-basing rights in the country, bases that could be used both to support President Eduard Shevardnadze's embattled position and to promote Russia's interests in the Caucasus if needed.

In Armenia, the government has repeatedly enlisted Russian military support in its conflict with Azerbaijan over the Armenian-populated enclave of Nagorno-Karabakh in Azerbaijan. It received critical supplies of oil for its 1994 offensive into Azerbaijan and relies on those supplies for its continued occupation of western Azerbaijan. Both Armenia and Russia have sought to weaken Azerbaijan: Armenia wants to promote its own claims to Nagorno-Karabakh, and Russia wants to gain access to Azerbaijan's oil and weaken Baku's potential to reclaim its historic role as the beacon for the spread of pan-Turkic and Islamic appeals north and east from the Middle East.

Azerbaijan has been thrown onto the defensive in the face of this dual pressure. The Azerbaijani Popular Front and its leader, former President Abulfaz Elchibey, long an object of Russian concern, lost power to Gaidar Aliev, a former Soviet apparatchik. Since becoming president, Aliev has tried to protect the country from Armenia by acceding to virtually all Russian demands, including granting ever-larger percentages of stock in Azerbaijan's oil industry to Russian firms and guaranteeing that Azerbaijani aid would continue to be exported to the outside world through Russian pipelines. The Azerbaijanis have decided that the only way to buy security from Armenian attacks is to recognize Russian economic interests in the area.

None of the states in the Caucasus have become colonies of Russia; they have only accepted an increased Russian presence in return for the economic and security benefits it provides. In so doing, however, they have become more dependent on Russia and made it possible for Russia to exert pressure on the politics of the region at a lower cost than if Caucasian elites had not so easily accepted an increased Russian presence.

In Belarus the situation is different. While other states, including Kazakhstan and Kyrgyzstan, have sought stronger ties with Russia, Belarus stands alone among the new states in actively favoring reunification. Opinion polls in Belarus have shown support from almost half the population for significantly closer relations with Russia—including sup-

port among a small minority for the complete restoration of the Soviet Union—and a popular referendum supported by the president called for union as well. (Indeed, President Alexander Lukashenko ran on a platform that promised complete union with Moscow.) Belarus has dismantled border posts along the frontier with Russia, restored Russian as the official language, promised to maintain its army's preparedness, agreed to continue paying pensions to the thousands of retired Soviet-era officers residing in Belarus, established a joint parliamentary assembly with the Russian Duma, and granted Russia leases for two bases.

Despite President Lukashenko's assurances that the two countries would soon become a single "unified state," a treaty creating only a "Community of Sovereign Republics" was signed in April 1996. Lawmakers in both countries expressed skepticism that Russia would undertake the economic burden of reincorporating Belarus and that authorities in Minsk would surrender the country's sovereignty completely.

In Central Asia, elites were clearly unprepared for independence and spent much of the first year trying to convince Russia to form a commonwealth. In contrast to elites in the Caucasus and the Baltics, most post-independence Central Asian leaders had not been involved in pre-independence national struggles, undergone any period of imprisonment, or formed or led popular fronts. The exception, of course, was Tajikistan; there, after a brief but bloody civil war, pro-Moscow elites gained the ascendancy and established a regime strongly in favor of a continued Russian presence.

In the region as a whole, elites have been unable or unwilling to act on their economic independence from Russia. Elites trained in central planning have continued to see Moscow as the center, and Russia has maintained its economic advantage; a treaty between Russia, Belarus, Kazakhstan, and Kyrgyzstan signed in March 1996 called for the "deepening of integration" in the economic field.

However, in none of the Central Asian countries is there an indigenous trend favoring the surrender of political sovereignty. Most national elites (Tajikistan is the exception) have become more and not less committed to maintaining their countries' formal independence while continuing to rely on Moscow for economic and military support. Their reaction to Moscow's rhetoric that the Belarus-

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Russia treaty would be a model for future Russian relations with other CIS countries was almost uniformly negative.

Given the speed and circumstances of the Soviet collapse, the initial unpreparedness of so many elites and populations for independence is historically unique. With the passage of time their countries have come to value independence more, particularly since they have been able to enjoy its economic, security, psychological, and cultural benefits. Yet many of these new states, however hostile to Russia, are weaker and more fragile than Russia and will therefore remain dependent on it. Consequently, Russia is unlikely to recede as an economic or geopolitical presence in the area, and the temptation to empire will have to be contained by more than the varying will and ability of peoples in the bordering states.

RUSSIA AND THE WORLD

During the course of the twentieth century, the Russian empire was replaced by a Soviet empire; that empire has fallen, but talk of another has resurfaced and Western policymakers are considering whether an enlarged NATO will have to stand once again as a bastion against Russian expansion. In the weak and divided international community of the early 1920s, the Soviet Union succeeded in establishing itself and incorporating by force many of the territories of the former Russian empire. Would the international community allow a similar process to repeat itself today?

Several important factors make such a repetition unlikely. First, elites in neighboring countries have a greater awareness of the nature and potential of Russian power. For example, reabsorbing Kazakhstan today, with its cities, educated elite, developed infrastructure, and communications links to the outside world would be a far more difficult task than it was in the 1920s, when the indigenous peoples were nomadic, illiterate, geographically isolated, and had no history of independent statehood. Moreover, if Russia attempted to forcibly re-integrate them, these states would undoubtedly seek and receive support from the international community for a renewed policy of containment. Regional security organizations of the kind developed during the early years of the cold war, such as NATO, SEATO, and CENTO, could be expanded to include not only new East-Central European members but also states of the former Soviet Union itself.

Current restraints on forward basing of United States and Western European troops would also presumably be lifted under such circumstances.

Second, the post-1945 international system has largely come to accept the principles of state sovereignty, national self-determination, and the inadmissibility of the use of force to change boundaries of legitimate, popularly elected governments. At the close of the nineteenth century, the golden age of empires imposed a normative logic on the international system. A century later the defense of the nation-state (not the imperial state) and the promotion of decolonization, democracy, and human rights—and not the reestablishment of empire and authoritarian regimes—are the dominant norms upheld by the international community and from which international institutions derive their legitimacy. To the extent that force has been sanctioned by the international community through the United Nations, it has been to uphold these norms (as in Kuwait, Haiti, or Bosnia). It is virtually impossible to foresee a situation in which the clear use of Russian force against the wishes of a legitimately elected government would be formally sanctioned by the international community and its organizations.

Should there be a resurgence of imperial fervor, Russia's options will also be limited geopolitically. Eastern Europe and the West would undoubtedly move to expand NATO without taking Russian sensitivities into account, and any possibility of establishing joint committees from Russia and NATO states on foreign affairs or defense would vanish. While the Soviet Union could leapfrog over the American-sponsored regional security organizations that ringed it during the Cold War by establishing ties with leftist regimes in the third world, most of these regimes have now become integrated into the global economy. They would not gain by establishing relations with a right-wing Russia that would threaten their connections with other trading partners.

Finally, the entrenchment of democracy in Russia and among its neighbors will decrease civil strife, diminish the influence of antidemocratic forces, increase the ability of the legislatures, courts, and media to oversee the "power ministries," and create growing incentives to respect international norms. Russia's size and wealth will ensure its continued preeminence in Eurasia, but it is its commitment to democracy and its new institutions, if sustained, that will ensure it a respected place in the international arena. ■

The integration accord Belarus and Russia signed this April raised fears of a revanchist Russia. But "[w]hile there is little doubt that Yeltsin was making political capital out of the accord by presenting himself to the Russian electorate as the reintegrator of the former Soviet states, it is uncertain how forcefully he will pursue such a course now that he has been reelected."

Imperial Understretch: Belarus's Union with Russia

USTINA MARKUS

Belarus has been the most strident among the former Soviet republics in seeking to preserve its ties with Russia and re-create some type of union. To this end Belarus has signed a number of agreements, the most recent and comprehensive of which is the Treaty on the Formation of a Community. But for all the fanfare surrounding the signing of the agreement, it is uncertain whether it, like previous, unimplemented agreements, will actually bring the two countries closer together. Moreover, although Russia is often accused of harboring imperial ambitions, in the case of Belarus it has been Moscow that has stalled on closer integration with Minsk.

DIFFERING MOTIVES

The basic problem with any of the plans for integration between Russia and Belarus is that their motives for integration, and visions of it, are at odds. Economically, Belarus is looking to Russia for a bailout. Unfortunately for Belarus, Russia is not interested in providing it. Politically, Belarusian President Alexander Lukashenko envisages a union between the two states in which he would have equal status with Russian President Boris Yeltsin. Russia, however, assumes it will have the dominant political role, and that its smaller neighbor will follow Russia's lead in foreign affairs and economic policy. These differences were illustrated during a visit to Moscow by Lukashenko in October 1995, when he proposed creating a unified state that would be led by the Russian president one year, and

by the Belarusian president the next. A further feature of the unified state would be the automatic cancellation of Belarus's energy debts to Russia and a continuing supply of Russian oil and gas to Belarus at reduced prices. Russian Prime Minister Viktor Chernomyrdin looked visibly stunned when told of the proposals, and coolly told Lukashenko, a former collective farm chairman, that Russia and Belarus were not collective farms.

A number of other differences have also emerged as obstacles to integration. When the recent treaty of the community was to be signed, a number of articles appeared in the Russian media warning against closer ties with Belarus because of the threat it would pose to democracy in Russia. The extensive censorship in Belarus and Lukashenko's public praise of Hitler as an example of a strong leader were cited as evidence of the undesirability of such a relationship.

The media also noted that Russia and Belarus have completely different economic policies. The private sector in Russia makes up 65 percent of the economy, and prices have been freed on most consumer goods. In contrast, the private sector accounts for only 15 percent of Belarus's economy, and Lukashenko wants to ban private land ownership altogether. In the dominant state sector, prices and wages are still set by the government, and the president even issued a decree bringing banks back into the government's fold and setting bank employees' wages.

Belarusian opponents of the integration accords are concerned that Belarus could be swallowed up by its larger neighbor and lose its independence and national identity. They hold that any economic benefits are illusory. Russia is pushing forward with

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economic reform faster than Belarus. It is raising energy prices to world levels for its own consumers, so it is unrealistic to expect it to continue selling gas and oil to Belarus at a subsidized rate. Ultimately, they argue, a union would only make Belarus a tariff-free transit route for Russian goods to Europe.

Along with resistance on the part of nationally minded Belarusians, the country's russophone president has himself been an obstacle to the implementation of such accords. Lukashenko was not a member of the *nomenklatura* before becoming president, but had worked as a political officer in the border guard and collective farm chairman before his election. While the abrasive populist may have won the hearts of average Belarusian peasants, who view him as one of their own, other political leaders, including Yeltsin and Chernomyrdin, treat him with barely disguised disdain.

Yet another impediment to integration has been Belarusian concerns over military obligations. Belarusians worry that integration could mean Belarusian servicemen would have to serve in conflict zones in Chechnya or Tajikistan. Thus, when Belarus signed the Commonwealth of Independent States (CIS) collective security pact in January 1994, an amendment was added stipulating that Belarusian soldiers would not serve outside of the country unless parliament expressly permitted it. This clause was unacceptable to Moscow.

THE SUM OF ITS CONTRADICTIONS

The Treaty on the Formation of a Community was signed in an elaborate ceremony in Moscow on April 2, with Russian Orthodox Patriarch Aleksei II giving his blessing to the accord. Despite the strong emotions the accord evoked, the document itself is little more than a declaration of intent on the part of Russia and Belarus to integrate. The exact nature of the integration is unclear since there are a number of contradictions in the text. In addition, the treaty does not provide the bodies that are to implement the process with any binding powers. The vagueness is not unique. Previous documents signed by the two countries have failed to include any precise timetables or binding commitments on integration.

Article 1 of the treaty calls on Russia and Belarus to set up a politically and economically integrated community that will allow them to pool their material and intellectual resources to improve living standards. After this the contradictions begin.

Article 2 says the community will be based on principles of democracy. Almost no one believes

Belarus is a democracy. Article 3 says both sides will coordinate their foreign policies; article 16 says they will establish their relations with foreign states independently. Articles 4, 5, and 6 specify time frames for the integration, yet the only action that must be achieved by the end of the specified time frames is the formulation of measures to carry out integration.

Article 7, which calls for the creation of a unified monetary, credit, and budget system between Russia and Belarus and conditions for the introduction of a common currency by the end of 1997, is entirely unrealistic. According to Grigori Yavlinsky, the leader of Russia's reformist Yabloko faction, any talk of a joint budget is "nonsense," since Russia itself has so far failed to come up with a "sensible" budget.

Articles 9 through 14 discuss the role of the Supreme Council and Parliamentary Assembly of the community. The impotence of these overseeing bodies becomes apparent when the accord states that any decisions by the Supreme Council are to be made on the basis of unanimity, with each party having one vote. Because of the two countries' conflicting interests on so many major issues, the council will likely reach agreement only on the most mundane matters. In addition, since the chairmanship of the Supreme Council is to be rotated between Russia and Belarus every two years, it is difficult to imagine that Moscow agreed to allow the chairman to have any binding or overriding powers. Moreover, Belarus calling the shots over Russia for two years is implausible—despite some dubious opinion polls emanating from Belarus claiming to show that many Russians would vote for the Belarusian president to be their president.

A HISTORY OF UNIMPLEMENTED AGREEMENTS

Given the track record of previous Russian-Belarusian integration agreements, the Treaty on the Formation of a Community is unlikely to live up to its stated purpose. The fate of the CIS is a reminder of why such agreements between the former Soviet republics fail. Within a year of the signing of the CIS agreement, it became clear that the group was not working to facilitate economic interactions between the former republics or to coordinate their foreign policies. Each state was pursuing its own interests, and any economic accords that were implemented were agreed to on a bilateral basis. Belarus's amendments prohibiting the use of Belarusian troops in foreign actions that were made part of the CIS collective security pact were a strong indication that

the republic is aware of its own interests, and is prepared to protect them.

The agreement on monetary union Belarus and Russia signed in April 1994 was partly a political gesture by Russia in support of former Belarusian Prime Minister Vyacheslav Kebich in his bid for the Belarusian presidency in the July 1994 elections. Like all other Russian-Belarusian integration agreements, it provided for the stationing of Russian troops at Belarusian bases free of charge, even though the troops have no connection with monetary union or fiscal policy. The agreement itself was an unrealistic document, providing no timetable for uniting the Belarusian and Russian currencies. Given that the two countries were following monetary policies that were completely at odds with each other, it must have been apparent to Kebich and the Russian leaders that the agreement would never get off the ground. Belarus was continuing to print money and issue credits to pay wages and subsidize its agricultural and industrial sectors—policies that were leading to hyperinflation. In addition, it continued to drag its feet on freeing prices on consumer goods. Russia, meanwhile, had managed to rein in inflation, had effectively freed prices on most consumer goods, and was making headway in privatizing state enterprises.

The strongest arguments against the union from the Russian side came from former Deputy Prime Minister Yegor Gaidar and former Finance Minister Boris Fedorov. Both resigned in January 1994, citing opposition to the economic union with Belarus as one of the reasons for leaving office. Fedorov pointed out that the inflation rate in the two countries differed vastly: in Russia it was 8 percent per month at that time, while in Belarus it was running at 40 percent. Less than two months after Kebich lost the race to Lukashenko, Chernomyrdin informed the new president that there would be no monetary union.

Lukashenko was not put off by Moscow's lack of interest in creating an economic union with Belarus. Unwilling to implement market reforms that would free prices, cut subsidies to unprofitable firms, and privatize state enterprises—all of which would create unemployment—the new president continued to pin his hopes on a union with Russia to solve the country's economic problems and ensure cheap energy supplies. In February 1995 it

appeared that Lukashenko had some success when Yeltsin signed an agreement on a customs union with Belarus. Like the agreement on monetary union, the new accord allowed for the stationing of Russian troops in Belarus at two early-warning missile bases without charge. It also envisaged open borders and called for the two countries to coordinate their tariff policies.

Opposition to the new agreement could be found in both Russia and Belarus. Russians argued it would prove costly to them, while the Belarusian opposition felt free borders were the first step toward the virtual integration of Belarus into Russia. As it turned out, both sides had little to fear. Just as the monetary union had not been fulfilled, the customs union made little real progress. Half a year after the signing of the customs union, Belarus had still not brought its legislation into line with Russia's, and each side complained that the other had not lifted tariffs on imports.

Because the agreements elicited so much opposition at home, Lukashenko held a referendum on integration with Russia at the same time as parliamentary elections in May 1995. The referendum was deemed not to have taken place under free and democratic conditions since the press was heavily censored before the vote; moreover, the state-controlled media only promoted integration. On the referendum ballot itself, the question regarding Russia was worded somewhat benignly, asking only if people were for "economic integra-

tion" with Russia. Not surprisingly, more than 80 percent voted yes. Lukashenko interpreted this as support for straightforward integration with Russia.

Despite the Belarusian referendum results, Moscow did not rush forward to integrate with Belarus. Russian hard-liners such as Vladimir Zhirinovskiy and former Duma member Konstantin Zatulin sent congratulatory messages on the referendum results, and it was suggested that Russia hold a similar referendum on integration with Belarus during its parliamentary elections in December 1995. This did not happen, and Lukashenko continued to criticize Russia for not implementing the customs agreement.

While Yeltsin and Chernomyrdin refrained from drawing up any more binding documents, the Russian media printed stories critical of Lukashenko's dictatorial regime and generally ridiculed the Belarusian president. Lukashenko's chief ideologist,

[Lukashenko] may have won the hearts of average Belarusian peasants, who view him as one of their own, [but] Yeltsin and Chernomyrdin treat him with barely disguised disdain.

Uladzimir Zamyatalin, sent a note to the Duma at the end of the year demanding that it order the press to stop writing derogatory stories about Lukashenko. He was told that Russia did not engage in the same censorship practices as Belarus.

THE ELECTORAL CATALYST TO INTEGRATION

Not until this Russian presidential election year were any further moves made to draw up an integration agreement. On New Year's Day 1996, Lukashenko announced that he had spoken with Yeltsin by phone and that the Russian president had agreed to a "zero option" on the cancellation of their mutual debts. Such an agreement made little sense since most of the money Belarus owed Moscow was due to the gas and oil entity Gazprom, which had nothing to gain from absolving Belarus of its debts. The only explanation for the acceptance of such a deal is the Russian government's close connection to Gazprom; the monopoly probably received government concessions in exchange for the debt cancellation.

In February, Lukashenko traveled to Russia, where he and Yeltsin signed a number of agreements, including the zero option, which canceled Belarus's \$1.27 billion debt to Russia for gas and credits in exchange for Belarus's cancellation of Russia's \$914 million debt for stationing Russian troops in Belarus (including environmental damage they caused) and compensation for the nuclear weapons removed from Belarus. The two presidents also discussed building a highway from Russia to Kaliningrad through Belarus. The talks were not greeted with enthusiasm by Poland, since part of the corridor would cross through its territory. Despite assurances from Russia and Belarus that they posed no threat to Poland, Warsaw remained wary. At the same time, nationalists in Belarus were concerned that their country was to become a transit route for Russian troops in Kaliningrad.

As the Russian presidential election day neared, the integration process picked up speed. For his part, Lukashenko made every effort not to let the opportunity be derailed. In mid-March he called a meeting and told Belarusian officials to look into ways of speeding up the integration process. That month he fired Miklai Halko, the editor-in-chief of the largest Belarusian daily, *Nardnaya gazeta*, allegedly because he was unhappy that the paper had carried criticism of his efforts to integrate with Russia. Soon after, at his instruction, the left-dominated Belarusian parliament voted to debate the issue of closer integration with Moscow.

While Lukashenko was making every effort to ensure that an integration agreement was signed, nationalist forces in Belarus began to stir. On March 24, as many as 40,000 people demonstrated in Minsk against integration in Minsk. The demonstration was largely peaceful, although a few protesters were reportedly beaten by security troops. In order to quash any further protests, Lukashenko issued arrest warrants for the leader of the nationalist opposition Belarusian Popular Front, Zenon Poznyak, and its spokesman, Sergei Naumchik. The two went into hiding and have made their way to the United States, where they applied for political asylum in July.

On March 29 the leaders of Belarus, Kazakstan, Kyrgyzstan, and Russia signed an agreement in Moscow to further economic and humanitarian integration within the context of the CIS. This agreement effectively created a customs union between the four pro-CIS states. The document contains the same loose wording as other integration agreements, making its implementation unlikely. Its signing was interpreted as the result of short-term political considerations rather than a real intention by the four to integrate.

A PUBLICITY STUNT?

The integration agreement between Russia and Belarus won overwhelming support in the Russian State Duma, where deputies voted 320 to 8 for a resolution in its favor on April 5. In May, the Belarusian Supreme Soviet ratified the document by a vote of 166 to 3, with 1 abstention. The same month, both houses of the Russian Federal Assembly overwhelmingly ratified it.

On the day the treaty was signed, there was another anti-integration demonstration of between 20,000 and 30,000 people in Minsk. The turnout was impressive, given the number of security troops stationed throughout the city and the fact that the protest had not been officially sanctioned. The size and persistence of demonstrations since then indicate that there is a committed opposition to integration with Russia within the country that can act as an obstacle to the implementation of the accord.

The political context in which the accord was signed casts further doubt on how seriously Russia wants to integrate with Belarus. The signing took place as presidential elections loomed in Russia and a Communist hard-liner, Gennadi Zyuganov, was favored to win over the incumbent. Under pressure to score political points with the electorate, Yeltsin drew up a peace plan for Chechnya, signed the

agreement on closer integration with Kazakhstan, Kyrgyzstan, and Belarus, announced he would travel to Kiev to sign the long-delayed agreement on friendship and cooperation with Ukraine, and announced plans to sign the integration agreement with Belarus—all in the space of one week. Many observers simply dismissed the Belarusian-Russian agreement as a publicity stunt designed to boost Yeltsin's standing with conservative voters.

A number of influential politicians in both countries reacted negatively to the treaty. Belarusian parliamentary deputy Stanislav Bahdankevich put the agreement down to political propaganda, saying Yeltsin needed it for his election campaign and that Lukashenko was covering up the fact that he had not managed to live up to any of his campaign promises. In Russia, Yavlinsky's kindest word about the agreement was to call it "strange." *Literaturnaya gazeta* said that Russia would suffer economic losses from every article in the agreement, and warned that the customs union envisaged in the accord would cost Russia \$1.2 billion each year.

While there is little doubt that Yeltsin was making political capital out of the accord by presenting himself to the Russian electorate as the reintegrator of the former Soviet states, it is uncertain how forcefully he will pursue such a course now that he has been reelected. The conflicting expectations Russia and Belarus have for any integration agreements were immediately apparent. Russian Central Bank chairman Sergei Dubinin assured Russians that there were no financial risks involved, while Lukashenko told Belarusians that the treaty ensured subsidized energy supplies from Russia. The contradictory statements appeared on television on the same day. Should the accord prove costly to Russia, it is unlikely Moscow will continue to follow through with the process since numerous opinion polls have shown Russians are unwilling to bear hardships for the sake of reintegration.

In addition, Russia's primary interests in Belarus have been the right to keep troops stationed at the country's early-warning missile bases and the ability to maintain an avenue for exports, including energy, to the West. The troops are there, and the construction of a gas pipeline through Belarus, bypassing Ukraine, is slowly being realized. If Belarus has little to offer economically beyond that, it is likely economic integration will go no further. The expansion of NATO to include Poland could act

as an impetus to expand military cooperation with Belarus. At the moment, however, Russia appears content with the use of the early-warning bases and is uninterested in financing the Belarusian armed forces.

Although the Executive Committee of the community was formed the same month the integration agreement was signed and met regularly over the next three months, problems between Russia and Belarus quickly appeared. In June the Russian press began reporting that Belarus had stopped delivering its nuclear missiles to Russia. Although Belarus has assured Moscow that it will finish handing its remaining nuclear missiles over to Russia by the end of the year, Moscow clearly was not pleased with the suspension. Another indication of the rocky relations between Moscow and Minsk was Lukashenko's refusal to endorse Yeltsin in the run-up to the first round of the Russian elections; he was the only CIS president who refused to back Yeltsin. In response, Yeltsin remarked that he had been forced to give his Belarusian colleague a few lessons in democracy at a CIS meeting prior to the elections.

A month after Yeltsin's reelection, Lukashenko began criticizing Russia for not implementing the customs union agreement and for failing to cancel Belarus's energy debt. When Russian Deputy Prime Minister Aleksei Bolshakov visited Minsk in July, Lukashenko asked Moscow to impose tariffs on practically all imported consumer goods in order to protect Belarusian producers from competition from cheaper imports. Because the measure would run counter to the demands of international financial organizations, Moscow only promised to talk about it. This bodes ill for the implementation of the community treaty.

Despite the disagreements and stumbling blocks, it cannot be ignored that the treaty was passed by enormous margins in the Russian and Belarusian legislatures, and that Lukashenko does find common ground on the issue with some of the more extreme Russian politicians, such as Zhirinovskiy. Thus, it is possible that consensus between some politicians in the two countries may be reached on integration. What is unsettling is that if Lukashenko does make some deal on integration, it is likely to be with elements in Russia that are not concerned with his dictatorial rule or lack of progress in economic reform. Agreement with more moderate leaders is less likely. ■

"Politically, Georgia has reached a level of stability unimaginable in 1994, when parliamentary crises, assassinations, bombings, and hunger strikes were the order of the day. Parliament is now busy passing new laws, relations between the executive and legislature are good, and crime has fallen dramatically. The streets of Tbilisi are lively and traffic is once again noisy and dangerous."

Georgia's Return from Chaos

STEPHEN F. JONES

After independence in 1991, Georgia reverted to something resembling its feudal past, complete with the disintegration of central authority, internecine warfare, territorial fragmentation, and economic catastrophe. The government controlled only the capital city of Tbilisi and was incapable of ensuring the economic and physical security of its own citizens.

Beginning in 1991 in South Ossetia and 1992 in Abkhazia, the Georgian government went to war with armed separatist movements backed by Russia. Georgia's poorly equipped and disorganized army was forced into a stalemate in South Ossetia and was ejected from Abkhazia in the autumn of 1993. Military struggle with the separatists, who could not have survived without Russian political and logistical support, put Georgia in permanent crisis domestically and externally in its relations with Russia. The wars led to the widespread dissemination of arms, and the government became powerless to prevent banditry on the highways, the illegal export of precious metals, racketeering, price rigging, and a boom in kidnappings. In the summer of 1994, Tbilisi's streets emptied after nine o'clock, and walking or driving in the capital after dark was considered the height of folly.

The economy was in shambles. Between 1988 and 1994, Georgia's total material product (total production excluding services) declined by 80 percent, and inflation in 1994 averaged between 100 and 300 percent per month. Economic activity that year declined to one-third its 1990 level. The state, without investment funds, an effective banking sys-

tem, or revenue, relied almost entirely on international aid to feed its people. Georgian society was demoralized by the military's defeat in October 1993 by separatist rebels in Abkhazia, and by poverty, unemployment, and the loss of savings. Visible corruption at the highest levels of government and criminal gangs on the streets led to a fragmented, cynical, and passive population.

In 1996 the situation has changed dramatically. Inflation has been reduced to approximately 30 percent a year and the lari, a new currency fixed to the dollar, has so far provided a basis for financial stability. Official figures this year report strong growth in agriculture, transport, communications, and trade. Gross domestic product grew 2.4 percent in 1995, and the IMF predicts 8 percent growth in 1996. Politically, Georgia has reached a level of stability unimaginable in 1994, when parliamentary crises, assassinations, bombings, and hunger strikes were the order of the day. Parliament is now busy passing new laws, relations between the executive and legislature are good, and crime has fallen dramatically. The streets of Tbilisi are lively and traffic is once again noisy and dangerous.

Do these changes indicate a permanent shift in Georgian society toward economic stability and democracy, or are they a temporary reanimation courtesy of the IMF and World Bank? Has Georgia finally shaken the psychological and political shackles of the Soviet system and readied itself for a more "ordinary" form of politics? Or is this peaceful interlude more a reflection of exhaustion than anything else?

THE SOVIET LEGACY

In 1994 Georgia had no effective state structures. Former Soviet Foreign Minister Eduard Shevardnadze was elected chairman of the Georgian parlia-

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ment and head of state in October 1992 after the forceful ouster of his predecessor, President Zviad Gamsakhurdia, earlier that year. In his attempts to introduce the preconditions of democratic statehood in Georgia, Shevardnadze was hampered, like other leaders of newly independent states with similar aspirations, by the Soviet institutional and psychological legacy.

Soviet institutions were characterized by authoritarian decision making and an absence of institutional responsibility or public accountability. Inadequate salaries, a large shadow (unofficial) economy, and an absence of professional ethics led to pervasive corruption. The behavioral patterns of most administrators included passivity, cynicism, and a disregard for the rules. Transforming such administrators into civil servants has proved extremely difficult.

An alternative elite, the cultural intelligentsia, was equally unsuited to the tasks of democratic transformation. Inexperienced, unaccustomed to the give and take of debate or to the details and discipline of legislative activity, they dominated independent Georgia's unproductive parliament from 1992 to 1995. They had no understanding of party organization: after the experience of the Communist Party of the Soviet Union, party discipline was decisively rejected. Almost all of the 26 parliamentary parties were little more than groups gathered around leading personalities with no clear programs or any contact with their constituents. Parliament was a forum for excitable intellectuals enraged at Georgia's situation and at Shevardnadze's attempts to gain more power. The televised broadcast of parliamentary debates rapidly brought the body into disrepute.

Georgian society itself was fragmented in the wake of the Soviet era. People's distrust of the authorities and the law, coupled with widespread feelings of powerlessness, prevented the growth of community, participation, and personal responsibility. The legacy of patronage and clientelism, combined with the political chaos and economic shortages between 1991 and 1994, forced Georgians to rely on kin, friends, and patrons for survival. This contributed to the strengthening of powerful kingpins with their own political and economic fiefdoms.

Despite the crumbling economy, an ineffective legislature, and perpetual crises in the secessionist regions of Abkhazia and South Ossetia, a concerted campaign against criminal networks and the reassembling of a standing army restored state authority in most of Georgia by the second half of

1995. Three events accelerated the process: a new constitution that ended the confused relations between legislative and executive power; general elections that replaced the 26 parliamentary parties with 3; and the attempted assassination of Shevardnadze on August 29, 1995, which gave the Georgian leader the opportunity to eradicate the Mkhedrioni, a powerful paramilitary group that had been implicated in the murder attempt, from the government and economy.

REASSEMBLING A GOVERNMENT

The new constitution created a presidential republic based on the American model, with a powerful Constitutional Court and a two-chamber legislature comprising a Council of the Republic, elected on a proportional basis, and a Senate, designed to represent the regions and autonomous republics (the Senate will not convene until Georgia has regained Abkhazia and South Ossetia). The president has considerable powers, including the appointment of the government and dismissal of ministers, the submission of the budget, and the setting of parliamentary elections. He can call a referendum and in certain cases suspend regional legislative bodies. He has wide powers of nomination or appointment to the Supreme Court, Constitutional Court, armed forces, and Chamber of Control, the supreme financial control organ in the republic. But parliament also gained important supervisory rights over the executive, including shared responsibility for some presidential appointments. In addition to interpellation rights over all officials, parliament can veto presidential bills and impeach the president if the Constitutional or Supreme Court confirms he has violated the constitution.

The new constitution creates rules and procedures that, if followed, will constrain the executive and permit interest group access to policymakers, citizen participation in decision making, and independent economic activity. Much depends on how leaders treat the new rules. In this sense Shevardnadze has enormous power to influence the process. So far, in crises that could have set back democratization, such as ministerial calls for restrictions on the press this June after revelations about corruption in the privatization of bread production, Shevardnadze has sided with the people. At the same time, however, independent television and radio are not encouraged, and the president stoutly defends the powerful but corrupt Ministry of Interior and the Procuracy.

Shevardnadze's style of dialogue and negotiation has helped craft civilized debate, end gridlock, and keep potentially disruptive forces at the table. But his use of patronage powers granted by the constitution has been less inspiring. Appointments of corrupt officials, particularly in the regions, gives Shevardnadze leverage over them but generates cynicism and undermines the growth of civic activity at the local level. His tolerance of corruption in the judiciary and police continues to damage popular faith in government.

A PIVOTAL ELECTION

The second event that radically changed the workings of government was the November 1995 general election. Shevardnadze's legitimacy was confirmed and his position strengthened by the 74 percent of the vote he received. His nearest rival, Jumbar Patiashvili, the Communist Party candidate, received 19 percent.

The parliamentary elections, based on a mixed party list and single-member districts, produced a legislature quite different from its predecessor. Of the 56 parties and blocs that competed, only 3 received at least 5 percent of the vote, the threshold for holding seats in the legislature. The major victor was the Georgian Union of Citizens (24 percent), which gained an effective working majority for Shevardnadze. Formed in 1993 on Shevardnadze's initiative and known as the "governing party," the Union of Citizens is a strange mix of former Communist-era intellectuals, regional apparatchiks, Greens, and businessmen who are united by their support for the president. Organizationally and ideologically in its infancy, the Union does not represent any particular constituency, although business interests are well entrenched and support the party's pro-reform, center-left ideology critical of IMF "excesses."

Two other parties gained parliamentary representation: the National Democratic Party (8 percent), a pro-Western nationalist movement distinguished by its commitment to a role for the Georgian Orthodox Church in state life; and the All-Georgian Revival Union (7 percent), based in the autonomous republic of Abkhaz, where its leader Aslan Abashidze has created a personal fiefdom outside Tbilisi's control. The biggest losers in the election were the Communists, radical nationalist parties, and former members of parliament (only about 20 percent of

the MPs from the 1992–1995 parliament were reelected). A number of parties disintegrated immediately after the election, and radical political leaders, who learned their politics in the streets during the early days of the Georgian national liberation movement, have sunk from view.

There are weaknesses in the new executive and legislative structures. Resolutions and decrees are still issued by unauthorized bodies. Ethnic minorities are poorly represented in parliament and complain of minimal consultation with parliamentary committees and the ministries. Shevardnadze has unhealthy dominance over political institutions and legislation in the absence of an effective opposition, although parliament has resisted some aspects of his land privatization legislation.

Corruption remains a major problem. Despite constitutional provisions against legislators' and ministers' involvement in "industrial activity," it continues apace. Niko Lekishvili, Shevardnadze's state minister, was the founder of and a major shareholder in the local Coca-Cola company. Other ministers, according to a report of the Control Chamber, are heavily involved in commercial activities. Given the close interactions of Georgia's political and economic elite, the cultural tradition of mutual favors and honorable silence, and the close association of political power with control of economic resources, it is unrealistic to expect this problem to be resolved soon.

[This year] has been remarkably quiet so far: no kidnappings, political murders, or bomb attacks on strategic gas lines or power stations.

A COUP ATTEMPT BACKFIRES

The attempted assassination of Shevardnadze by a car bomb was the third event that changed the direction of Georgian politics. Before the attempt, the reconstituted Communists, divided into three parties, were the greatest electoral challenge to Shevardnadze and the Union of Citizens. Despite a drop in popular support between July and September 1995 (probably related to the assassination attempt), the Communist parties could have gained representation in parliament if they had united as a single bloc (they had a combined vote of 9 percent). But more important to Shevardnadze was the opportunity provided by the bomb attack to put Jaba Ioseliani, head of the paramilitary group Mkhedrioni, behind bars.

Ioseliani was a declining economic and political force in Georgia by the autumn of 1995, but between 1992 and 1994 Shevardnadze had been

dependent on him as the commander of the only military force capable of defending the state. In 1993 Ioseliani was head of the State of Emergency Provisional Committee; his Mkhedrioni, renamed the Georgian Rescue Corps, had a seat in the cabinet. Ioseliani was a phenomenon of war and institutional chaos, essentially parasitic. He drew on his criminal experience—15 years in a Leningrad jail for robbery—and his position in government to extend the Mkhedrioni's power into the economy, especially fuel distribution and customs control. But in the face of economic reform backed by the authority of the international community, the creation of a stable standing army, and elections in which he might lose his parliamentary immunity, it seems he gambled on the violent removal of Shevardnadze. He was joined in the conspiracy by Igor Georgadze, the minister of state security, and by his deputy, Temur Khachishvili, the former interior minister.

The coup's failure led to the destruction of the Mkhedrioni, with over 200 leading members imprisoned. Igor Georgadze, whose father, Panteleimon, was the leader of the United Communist Party, fled to his protectors in Moscow, who had long sought to install someone less independent than Shevardnadze in Georgia. Georgian Communists suffered a massive electoral decline because of their assumed complicity in the coup. Igor Georgadze was subsequently blamed for the assassination of other prominent Georgian politicians in 1993 and 1994.

Shevardnadze used the coup attempt to extend his campaign against organized crime, and 1996 has been remarkably quiet so far: no kidnappings, political murders, or bomb attacks on strategic gas lines or power stations. This is not to suggest this is the end of corruption in Georgia. It is still a colossal drain on the economy, rife in every sphere of life, particularly among the police force, judiciary, local administration, and business. But the security situation has dramatically improved, and corrupt policemen are more easily controlled than paramilitaries. The purge of officials in Georgia's state security organizations also reduced the influence of Shevardnadze's enemies in Moscow. Their failure, and Russia's own problems in Chechnya, have encouraged a more accommodating position from Moscow that has allowed Georgia to concentrate on its domestic problems.

CREATING CIVIL SOCIETY

Economic reform and democracy are impossible without popular participation. During the Soviet

period, Georgian society was based on family and friends. There was no political community. Perestroika changed the situation dramatically. Political parties and social movements, based on environmental and national rights issues, mushroomed.

But after independence and the breakdown of Soviet state structures the situation became chaotic. The old structures and rules that had governed the mediation of interests ceased to function. Disputes were often settled violently and people retreated deeper into the private world of patronage, family support, and informal—or even illegal—means of economic survival, such as stealing electricity or evading taxes. The basic preconditions for effective interest groups—authority, economic stability, protection of the law, accessible information, and popular trust in the state—were absent in Georgia.

With time the new economic realities and political parties, as well as a free press, have begun to influence popular values and habits. The market has created new economic interests to be protected, and the influx of international organizations has provided money, information, and workshops for aspiring activists in the nongovernmental organization (NGO) sector.

The emergence of the NGOs has been one of the most dramatic changes in Georgian political life. In 1992, a survey by the National Democratic Institute for International Affairs concluded there were no NGOs in Georgia. By the autumn of 1995, 60 had been registered. Although they are overwhelmingly concentrated in the capital and financially weak—dependent in many cases on grants from the international community—they have already played a significant role in shaping legislation. A law on grants, for example, was the initiative of two NGOs, the Business Law Center and the Young Lawyers Association. Other NGOs, such as the Fair Elections Society, which was established to monitor the 1995 elections, and the Human Ecology Center, which drew popular attention to the continuing impact of radiation from the Chernobyl disaster on western Georgia, have shown the NGOs' increasing educational importance.

There is still hostility from government. The press and striking workers have received unwelcome visits from the procuracy, security service, and police. A metro and railway strike in April 1994 was quickly followed by a law forbidding the use of strikes to resolve disputes on railway transport. Many administrators, especially in the provinces, have no idea what the term "interest group" means, and many professional organizations still look to

the state for financial support. Yet by 1996, the evidence is clear: a growing number of interest groups are active, have access to parliament and executive structures, and have had influence on policymaking and implementation. This grassroots activity is one of the most promising signs in Georgia's young democracy.

REBUILDING AND REFORMING THE ECONOMY

Between 1992 and 1994, the Georgian government launched a mass of economic initiatives, from the privatization of land and state enterprises to the liberalization of prices and monetary reform. Chaotic, largely unimplemented, and aggravated by corruption and the expenses of war, they led to fiscal collapse as the inexperienced managers of the Georgian National Bank tried to finance them with limitless credit. In September 1994, a new structural reform plan dictated by the IMF and the World Bank was launched. It contained the usual prescriptions: suppression of all subsidies on food, fuel, and transport, a tight monetary program (no more credits to state enterprises), increases in the tax base, the acceleration of privatization (including the educational and health systems), the establishment of a legal framework for the market, and a balanced budget.

The reform can hardly be described as orderly and depends on popular tolerance of economic misery for its continuation. The central government's 1995 budget for its more than 500,000 government and social sector employees provided no more than \$3 monthly per person for all expenses, including salaries and wages. In 1996, 60 percent of all households are below the poverty line. The minimum monthly wage is 7 lari (about \$5.50) and the pension 6 to 9 lari. The average monthly salary is now between 30 and 45 lari; it is estimated a family of four needs 197 lari to live adequately. Such low incomes have had a serious impact on people's ability to pay for fuel, maintain a proper diet, send children to higher education, and receive proper medical treatment (now privatized). Poverty has also increased the incidence of disease (TB cases have grown by a third since the 1980s) and infant mortality (officially up 13 percent in the last five years).

The IMF's prescriptions have created opposition not only among the population, but among industrialists and politicians. Tax policy is a good example. IMF-recommended tax hikes on the value-added,

profit, and excise taxes and on import duties are not high by European standards, but the new rates are operating in an underdeveloped economy where enterprises—small ones in particular—have insufficient capital or profits to survive them and no money for investment or expansion. Banks refuse to extend long-term credit, and short-term credit is given at onerous rates (6 to 8 percent per month).

There are other serious problems in the economy that the IMF's prognosis of 8 percent growth in GDP should not let us overlook. Recovery is based largely on the financial resources and authority of the IMF and World Bank. Georgia's industry, including privatized firms, is still plagued by archaic machinery, inefficient management, inadequate energy supplies, and the absence of markets. The 15 largest enterprises have salary debts of about \$10 million, and although official statistics suggest 40 percent of factories are idle, the figure is probably

much greater; 61 percent of total industrial output in 1995 was provided by just 19 enterprises.

Despite these atrocious statistics and the reform's weaknesses, a 1996 survey by the European Commission came up with surprising results. It indicated that Georgians are among the most positive in Central and Eastern Europe about the economic reform and their financial future. Georgia was the only member of the six Commonwealth of Independent States (CIS) surveyed where the majority supported the market economy.

This paradox suggests a number of things. First, weak and fitful though economic recovery may be, it has created an environment for economic self-improvement, although much of it at this stage is illegal. Inflation has been stabilized, organized criminal control of the economy reduced, and privatization of small businesses completed.

Second, Georgians have been forced to search for innovative economic solutions. Some state employees, especially those over 50, are still waiting for a miracle, but most are seeking income outside their official employment. It might be a professor giving private lessons, a miner selling coal on the side, a doctor driving a taxi, a physicist working in a bank's statistical department. Many younger Georgians have gone abroad to work, primarily in Russia and Turkey. An additional survey by the European Commission showed that on average—and there is considerable variation between urban and rural families—wages or personal business make up only

[Recovery] has created an environment for economic self-improvement, although much of it at this stage is illegal.

33 percent of total household income. A large amount of "income" now consists of food, grown at home or supplied by relatives, and remittances from abroad.

Third, in the last two years, despite continuing frustrations and unexpected costs, Georgians have learned to adapt to the market, switching, for example, from natural gas to propane for cooking or to kerosene for heating. Coping strategies have become more regular and predictable, and people have become psychologically less dependent on the state.

Fourth, Georgians have strong ties of kinship and friendship. Care of the elderly by the family rather than the state is an important tradition. Such cultural habits of mutual support have played an enormous role in cushioning hardship in difficult times.

Finally, there is an ideological reason why Georgians support economic reform. It is associated with Europe, a region with which Georgians culturally and historically identify. The alternative, for many Georgians, would be closer integration within the CIS, a path they reject on political grounds.

This paradoxical picture of the Georgian economy—impoverishment and decline combined with a growing sense of optimism—reflects the population's sense of a possible economic upturn. Despite the misery of whole sections of the population, such as the 270,000 refugees from Abkhazia and South Ossetia, the transition has become a source of increased social mobility and different types of economic opportunities. A significant group of small business owners has begun to emerge, and the private sector now produces 74 percent of GDP and 77 percent of agricultural production. In this situation, new values, attitudes, and beliefs are bound to emerge as people are forced to adapt.

But the extraordinary weaknesses of the economy remain, and unless the IMF's medicine continues to produce improvement, the absence of effective welfare provisions may eventually generate opposition, despair, and social instability. There is considerable resentment of economic inequalities and the profits made by the former nomenklatura during the privatization process. Today the richest 10 percent of households have 53 percent of total income and the poorest 10 percent just 0.2 percent. The neglect of education (especially in the rural areas), health, and job retraining will also undermine Georgia's longer-term economic prospects. An

economic stall at this stage could have a decisive impact on stability and the longer-term viability of democratization.

AT THE MERCY OF IMPONDERABLES

To return to the question asked at the beginning: is there a fundamental shift in Georgian society toward economic stability and democracy? There are still enormous imponderables, especially ethnic and territorial conflicts and the situation in Russia. But in the realm of economic and political change over the last two years, the achievements are extraordinary, although fragile and incomplete. Economic and political stability has been sustained by real changes in the nature of the economy and society: the growth of business, the rise of interest groups, the advent of better defined laws and political structures, and the emergence of a population that has outgrown the radicalism of the early national liberation movement.

Yet the weaknesses are threatening. The economy is very weak, the constitution is new and untested, and parties and interest groups are embryonic. International aid, Eduard Shevardnadze, and Russian cooperation are still central to Georgia's stability. It would be naive to expect a smooth road ahead for any society that has recently emerged from authoritarianism and is attempting to compress changes to which European states adapted over two centuries into a few years. Given Georgia's economic and ethnic situation, instability is almost inevitable. Both the Abkhazians and Ossetians are stoutly resisting incorporation into the Georgian state. Russia can use these disputes at any time to destabilize Georgia. The large Azerbaijani and Armenian minorities, which occupy Georgia's sensitive southern borderlands, can also complicate Georgia's external relations with neighboring Azerbaijan, Armenia, and Turkey.

However, the principles and procedures for resolving political and ethnic crises peacefully are in place and Georgians are already benefiting from their democratic gains. But the critical factors sustaining this recovery—Russian stability, IMF-generated growth, ethnic peace, and Shevardnadze's own political role—are all fragile and unpredictable. The social and economic changes in Georgian society may be irreversible, but politics can still seriously retard them. ■

During the presidential elections this summer, "Russians understood that they were choosing the path their country would take into the twenty-first century. If just for one moment, they seemed to know they mattered more than the politicians, bankers, and mafioso who dominate television screens across the country every night. As one voter [noted], 'Tomorrow, let them play their games, but today they listen to us.'"

Russian Election Postcard

ANDREW SOLOMON

Approximately 75 million people voted in 94,000 polling stations across the country in the July 3 presidential runoff election. They cast ballots in neighborhood movie theaters, schools, hospitals, sanitariums, and on ships at sea. Russian citizens residing in the Baltic states and other former Soviet republics voted for leaders of a country in which they have never lived. Russian soldiers serving as peacekeepers in Tajikistan and Bosnia voted in makeshift polling stations—even seven airmen being held hostage by Taliban rebels in Afghanistan voted. "We are going to overtake the United States in the sphere of democracy," boasted Aleksandr Ivanchenko, deputy chairman of Russia's Central Electoral Commission.

When it was over, Boris Yeltsin had bested Communist rival Gennadi Zyuganov by more than 10 million votes. Yet while Western governments, multinational corporations, and international financial institutions weigh the fallout of Yeltsin's victory on their policies toward Russia, I am reminded that this election was, above all else, a human event in which the average Russian articulated his or her hopes, aspirations, and fears by simply marking an "X" next to someone's name and putting a piece of paper in a box.

Functioning as one of 1,200 accredited international observers, I witnessed voters from all walks of life cast their ballots with the belief that things would be different after this election. Some chose the empty promises of Yeltsin and Zyuganov; some

merely decided between the lesser of two evils; others voted on the basis of specific issues, such as crime, wage arrears, or unemployment. One thing was clear, however: no matter whom they voted for or why, Russians understood that they were choosing the path their country would take into the twenty-first century. If just for one moment, they seemed to know they mattered more than the politicians, bankers, and mafioso who dominate television screens across the country every night. As one voter told me, "Tomorrow, let them play their games, but today they listen to us."

BABUSHKAS AND BANKERS

When the polls opened in Moscow's northwest precinct of Tushino, the first wave of voters consisted of pensioners—those who had worked their entire lives building a system that ultimately failed and are now forced to sell cigarettes, dried fish, and combs on the street in order to buy food. Much of Russia's older population, especially the babushkas, will never forgive Yeltsin for raising the price of sausage. Some had that unforgiving look on their face as they marked their ballot for Zyuganov and defiantly slapped it into the box. But this is also the generation that survived Stalin's purges and experienced nothing but hardship and sacrifice under Communist rule. Retired airplane mechanic Aleksandr Gurychev, proudly wearing his World War II decorations, told me that he was expressly voting against the Communists. "They were very clever in deceiving us. But they destroyed our lives and for that I am against them. Yeltsin has given our grandchildren a chance to live and we must support him."

While their grandparents voted, many younger Muscovites stayed in bed, no doubt worn out from

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Moscow's nightclub scene. Some were more excited about the afternoon European Cup soccer match or spending time at their country homes, relaxing from a week spent closing deals and planning takeovers. This younger group, often referred to as the New Russians, has benefited the most under Yeltsin but despite its apparent stake in continued reform has often failed to show significant interest in politics. Following previous elections, for example, Russian entrepreneurs had boasted that they were too busy making money to vote.

But the evening convoy of sport utility vehicles that sped into the city from many of the newly built gated communities outside Moscow indicated that the New Russians recognized the relationship between their profits and the country's politics. Their pro-Yeltsin vote, albeit tardy, offset the Zyuganov vote by their grandparents and ultimately helped propel Yeltsin to victory.

The atmosphere at various polling stations was open and sociable. Music blared from speakers outside while voters congregated at the snack bars found in all polling stations to talk, grab a pastry, or drink some "American-style" Nevada Joe cola. At one station local vendors offered leather jackets, sweaters, and household goods at "election day prices."

By midmorning many stations had already experienced a 50 percent turnout of the roughly 3,000 registered voters assigned to each polling place. Voting continued smoothly throughout the day; during several voting peaks—lunchtime, after the soccer match, and shortly following one of the country's most popular foreign soap operas—some polling stations did become chaotic. At times, three people would squeeze into one of the booths to exercise their "right to secrecy." Others would simply find the nearest flat surface to mark their ballot.

As in recent elections, a small percentage attempted to vote on behalf of their spouses and children and were rejected by local election officials in accordance with the election law. Those who arrived without proper identification were also refused a ballot. I observed only one case of an individual allowed to vote without presenting the required documentation, and that was the oldest woman in the village, who the entire station knew would be voting in her last election. Partially deaf and perhaps blind as well, she clearly informed everyone around her that Yeltsin was a good man who would save Russia, calling out, "Everyone for Yeltsin!" She evidently forgave the president for raising the price of sausage.

OBSERVING THE RULES

Predictions that the Zyuganov representatives dispatched to monitor the vote at each polling station would intimidate voters never materialized. I met Zyuganov representatives at each station (as well as representatives of Yeltsin and parliamentary leader and reformer Grigory Yavlinsky) but they did not appear to influence the vote. In fact, Zyuganov representatives were anything but the aggressive and hostile caricatures painted by the Yeltsin campaign machine. Some were factory workers and pensioners, while others were teachers, engineers, and doctors. All handled themselves responsibly. Although one Zyuganov representative complained of the media's blatant pro-Yeltsin bias, all with whom I spoke expressed their confidence in the electoral process.

While I saw no irregularities by the Zyuganov representatives, Yeltsin representatives did engage in activities beyond those outlined in the election law. In one instance a Yeltsin representative began opening and placing absentee ballots into the box. When asked why she was doing this, she replied, "It's okay, everyone here knows me." Another Yeltsin representative helped older voters find Yeltsin's name on the ballot.

Other isolated irregularities reported from around the country added drama to the vote but did not affect the overall results. Bomb threats in Moscow, Perm, Rostov, Stavropol, Vladivostok, and Volgograd forced the temporary closure of some polling stations. Four men were caught stuffing 30 completed ballots into boxes in Yaroslavl. Some ballots in Vladivostok and Chita were already marked for Zyuganov or Liberal Democratic Party candidate Vladimir Zhirinovskiy when the polling station commission received them. Boxes at a Jewish Autonomous Region station bore the infamous Soviet Communist Party hammer and sickle symbol.

Despite these irregularities, international and domestic observers declared Russia's presidential elections fair and free. More important, the candidates themselves did not contest the outcome. With some reluctance, Gennadi Zyuganov accepted his defeat and did not call his supporters into the streets as some had feared. It was clear that Russia had rejected a return to the past policies associated with the Communist Party in favor of an uncertain future. Although this election was more about which of two social systems would prevail in Russia, the next scheduled for 2000, will more likely be about issues of governance. The Russian electorate will be ready. ■

BOOK REVIEWS

ON RUSSIA

Waking the Tempests:

Ordinary Life in the New Russia

By Eleanor Randolph. New York: Simon and Schuster, 1996. 431 pp., \$26.

Common Places:

Mythologies of Everyday Life in Russia

By Svetlana Boym. Cambridge, Mass.: Harvard University Press, 1995. 356 pp., \$49.95 cloth, \$22.95 paper.

These two books on daily life in the New Russia approach their subject from disparate vantage points. In *Waking the Tempests*, Eleanor Randolph, who lived in Moscow during a 1991–1993 *Washington Post* assignment, offers the observations of an American encountering Russia for the first time during a historic changing of the guard, arriving in the final months of the Gorbachev era and present as Yeltsin ushered in a period of exhilarating and unsettling new freedom.

Randolph assumed a position akin to that of an anthropologist: in addition to the historical and professional sources she consulted as a journalist, she enlisted the aid of cultural “informants.” Her discussions of Russia’s real estate market, health care system, and attempts at legal reform, as well as such experiences as motherhood, coming of age, and growing old, are illustrated with the anecdotes and observations of these “informants,” the circle of friends and acquaintances she met over the course of her stay. The result is an engaging and humane account both of Randolph’s introduction to and growing acquaintance with Russia, and the struggles of her hosts to come to terms with the oppressions of their past and the new burdens and pressures of the future.

Randolph notes that her book “is not the work of a scholar or historian” but rather that of a journalist “fortunate enough to be in an extraordinary country at an extraordinary time.” Though Randolph’s “small sketches” lack macroeconomic and comparative statistical analyses, they provide a more widely accessible complement to such an approach “by looking at the life rather than analyzing the system.”

A more abstract approach, at least at the outset, is employed in *Common Places*. Separated from her native experience of Russia by nine years’ expatriation in the United States, Boym, a Harvard professor of humanities, attempts to discern the essential realities of pre- and post-Soviet life through the application of cultural theory.

The first illustration in Boym’s book of the insidiousness of Soviet repression thus comes through an analysis of a painting from the early 1950’s and the censorship of various elements in that painting under subsequent Soviet leaderships. Under Soviet rule, something as seemingly innocuous as a rubber plant in the foreground of a picture could be found objectionable and cropped out in public display. Under Boym, the same rubber plant is deciphered as “an iconographic blemish on the image of Socialist Realist domestic bliss [that] . . . can function as a trigger of cultural memory and a key to the archeology of Soviet private and communal life.” At such moments it can be difficult to decide whether it is the former Soviet system or Boym’s prose that is ultimately more oppressive.

But the initial abstractions one encounters in Boym’s book are deceptive, since they set the stage for what is gradually revealed to be an intensely self-conscious, intellectually complex, and infinitely sly tour of Russian culture and daily life. Brief autobiographical reminiscences, photographs of Russian streets and homes, and shameless wordplay (in an analysis of a business and financial advertisement that depicts a woman in lingerie reclining atop a vast pile of rubles, Boym notes that Westerners will be familiar with the marketing tactic, “although the currency around the green lingerie is not very hard”) are intertwined with accounts of life in the Russian communal apartment during and after Soviet rule, the rise of an avant garde art scene, and the clumsy Russian attempt to adopt Western marketing methods.

Above all this is a portrait of the labyrinthine interiority of the Russian mind, confined by the relentless Soviet encroachment on privacy for the greater part of a century to small spaces and small expressions, that emerges so clearly and elegantly from this book. Ultimately it is not the trashiness of the kitsch she has simultaneously mocked and exalted throughout that Boym warns us and her fellow Russians against so much as it is that kitsch’s ideological outgrowth, the phenomenon she calls “post-Soviet nostalgia.” Resistance, she suggests, if not futile, nevertheless cannot be total: “I can only develop a genre of nostalgia mediated by irony, which combines estrangement with the longing for the familiar—in my case this happens to be a familiar collective oppression.”

Megan J. Breslin ■

THE MONTH IN REVIEW

August 1996

INTERNATIONAL

European Union

Aug. 8—The EU lodges a formal complaint with the US over a recently enacted American anti-terrorism law that imposes sanctions on foreign companies making new investments in Iran's or Libya's oil and gas industries.

United Nations

Aug. 7—The US says it will agree to a UN plan to allow Iraq to sell \$1 billion in oil every 90 days to finance civilian relief efforts; the US had raised "technical" objections to the plan last month.

Aug. 20—India vetoes the Comprehensive Test Ban treaty, citing the treaty's lack of a timetable for the destruction of existing nuclear weapons; the 5 declared nuclear powers (Britain, the US, Russia, France, and China) and 3 countries widely believed to have nuclear capability (Israel, India, and Pakistan) must sign an approved version of the treaty before it can take effect.

BOSNIA AND HERZEGOVINA

Aug. 14—President Alija Izetbegovic and Croatian President Franjo Tudjman agree to establish formally a Muslim-Croatian federation to govern half of Bosnia beginning August 31; Bosnian Serbs are required to disband their self-declared republic within Bosnia; under the Dayton peace accord this federation is to unite with the Bosnian Serb republic and establish a national presidency, assembly, court, and central bank.

Aug. 27—Robert Frowick, the Organization for Security and Cooperation in Europe official overseeing the September 14 elections in Bosnia, says he is postponing the municipal elections that were to be part of the vote because of the widespread abuse of rules governing registration; Frowick recommends that scheduled national and regional elections go forward as planned.

BURUNDI

Aug. 6—With the exception of Rwanda, neighboring countries sever all transportation links with Burundi; the transportation blockade is in response to the ongoing killing of Hutus by the ruling Tutsi minority.

Aug. 8—Rwandan Defense Minister Paul Kagame announces that the border between Rwanda and Burundi will be closed, completing the blockade of Burundi.

Aug. 14—Tanzania allows food shipments into Burundi, the 1st since the blockade by surrounding countries last week.

Aug. 15—Major Pierre Buyoya, who took control of the country in a July 25 coup, says that his military government will hold power for three years.

Aug. 22—Amnesty International reports that 6,000 people have been killed since the military government came to power—at least 4,050 by the government itself.

CAMBODIA

Aug. 16—Ieng Sary, a founding member of the Khmer Rouge, defects from the guerrilla group; Ieng Sary is widely held responsible with his former comrade and brother-in-law Pol

Pot for causing as many as 2 million deaths during Khmer Rouge rule between 1975 and 1979.

CHINA

Aug. 25—US government officials report that they believe China is helping Pakistan build a factory that can produce medium-range nuclear missiles; this would put China in violation of the Missile Technology Control Regime; both China and Pakistan deny the charge.

COLOMBIA

Aug. 4—Government troops and farmers protesting coca crop eradication remain engaged in an armed standoff that began on August 2 when military police used tear gas and live ammunition against a crowd of 8,000 people attempting to gain control of the Puerto Asis airport; in protests since the airport riot, 2 farmers have been killed and 26 people wounded as farmers have battled government troops in what is widely believed to be an effort by Revolutionary Armed Forces of Colombia guerrillas to defend their stake in the coca industry.

CROATIA

Aug. 18—Croatian authorities detain former Bosnian military attaché Mirsad Catic on charges of war crimes; the detention violates the Dayton peace accord, which reserves the authority to indict suspected war criminals for the international tribunal in The Hague.

Aug. 23—Croatia and Yugoslavia sign an agreement to restore full diplomatic relations and trade and transportation links.

CUBA

Aug. 19—The US says Cuba is expelling US diplomat Robin Meyer, who has met openly with anti-Castro dissident groups; the US says it will expel Cuban mission spokesman José Luis Ponce Carballo in response.

CYPRUS

Aug. 12—Cyprus formally protests to the UN yesterday's killing of a Greek Cypriot by Turkish Cypriots in clashes in a UN-patrolled buffer zone during a demonstration against the 1974 Turkish takeover of the northern third of the island.

Aug. 14—Turkish troops fire on stone-throwing Greek Cypriot demonstrators, killing 1 man as he tries to tear down a Turkish flag; 9 other demonstrators and 2 UN peacekeepers are wounded; the violence follows the funeral of the Greek Cypriot killed August 12.

Aug. 15—Turkish Foreign Minister Tansu Ciller flies to northern Cyprus to call for peace; she warns that the Turkish flag is sacred and will be defended.

GERMANY

Aug. 22—A German court convicts American Gary Lauck of inciting racial hatred; for the past two decades, Lauck had shipped hate literature, armbands, and other neo-Nazi paraphernalia from the US to far-right groups in Germany.

HAITI

Aug. 19—In Port-au-Prince, 2 groups of armed men open fire on police headquarters near the National Palace, killing 1 person and wounding a policeman; yesterday Haitian National Police arrested 20 members of the rightist Democratic National Movement, most of whom are former Haitian armed forces members, after intelligence reports linked them to a planned attack on the National Palace.

Aug. 20—In suburban Port-au-Prince, 2 men, including Pasteur Antoine Leroy of the opposition Mobilization for the National Development Party, are shot to death by unknown assailants.

INDONESIA

Aug. 12—Authorities arrest Budiman Sudjatmiko, leader of the Democratic People's Party, in connection with the violent rioting that accompanied protests in Jakarta last month against President Suharto.

IRAN

Aug. 7—The government says in a letter to the US that American warplanes entered Iranian airspace near the port of Bushehr on August 3; the US denies that its planes entered Iran.

IRAQ

Aug. 31—US officials estimate that between 30,000 and 40,000 Iraqi troops have moved into northern Iraq and seized the city of Erbil within the Kurdish "safe haven" set up by the US and its allies after the 1991 Persian Gulf War; the US puts its 23,000 troops in the region on high alert.

ISRAEL

Aug. 2—The government announces an end to Israel's 4-year moratorium on expanding Jewish settlements in the West Bank and Gaza.

JAPAN

Aug. 14—Japan makes its 1st payments to compensate Asian women who were forced into army brothels during World War II.

JORDAN

Aug. 18—Protests over increased bread prices spread to the capital city of Amman; 40 people have been injured and 300 arrested in 3 days of protests over the increase; the government ordered the price increase as part of an IMF-supervised economic reform plan.

KOREA, SOUTH

Aug. 26—Former President Chun Doo Hwan is sentenced to death for seizing power in a 1979 coup and brutally repressing pro-democracy protests in Kwangju in 1980; his successor, Roh Tae Woo, is convicted of similar crimes and sentenced to 22 1/2 years in prison.

LEBANON

Aug. 8—In southern Lebanon, the Israeli air force conducts raids on 2 Party of God targets; no casualties are reported; on August 6, 1 Israeli soldier was killed and 2 were wounded when Party of God guerrillas shelled an Israeli outpost in Israel's "security zone" inside southern Lebanon.

LIBERIA

Aug. 18—Leaders of 7 West African nations and all the major faction leaders in the civil war agree to a peace plan. Ruth

Perry, a former Liberian senator, will head a new government, to be installed by Aug. 31.

MEXICO

Aug. 29—Hundreds of Popular Revolutionary Army guerrillas attack police and army posts in the states of Mexico, Guerrero, Oaxaca, and Chiapas, killing 13 people and wounding 23; the group, which revealed itself for the 1st time in a June political demonstration in Guerrero, seeks to overthrow the Mexican government and establish a socialist government.

PAKISTAN

Aug. 14—Gunmen open fire on a group of Sunni Muslim worshipers outside a mosque in Karachi, killing 11 people and wounding 9; Shiite militants are believed responsible.

PALESTINIAN AUTHORITY

Aug. 1—In the West Bank city of Nablus, a general strike is called and hundreds of demonstrators march to protest the death of Mahmoud Jumayel, a Palestinian prisoner who died on July 31, apparently after being tortured while in Palestinian Authority police custody; Jumayel is the 7th prisoner to die in police custody since Palestinian self-rule began in 1995.

Aug. 3—In Jericho, a Palestinian military court sentences 3 Palestinian police officers to 10- and 15-year prison terms for torturing Jumayel to death.

Aug. 6—President Yasir Arafat calls for resistance to the Israeli government's August 2 decision to allow the expansion of Jewish settlements on the West Bank; he says it is a "flagrant violation" of Palestinian-Israeli accords providing for Palestinian self-rule.

PARAGUAY

Aug. 7—An appeals court rules that Lino Oviedo, the former army chief accused of leading an armed insurrection against President Juan Carlos Wasmosy in April, is not guilty of the charges.

PERU

Aug. 23—Congress lifts a constitutional ban on 3 consecutive presidential terms that will allow 2d-term President Alberto Fujimori to seek a 3d term in the 2000 presidential elections.

RUSSIA

Aug. 6—In the worst outbreak of fighting since early June, nearly 1,500 Chechen rebels attack Russian forces in the Chechen republic capital of Grozny; 23 Russian soldiers are reported killed and 91 wounded; the number of Chechen casualties is unknown.

Aug. 7—Chechen rebels overrun much of Grozny; the Russian military says 50 Russian soldiers were killed and 250 injured in today's fighting.

Aug. 9—In Moscow, President Boris Yeltsin is sworn in at the Kremlin as the first democratically elected president in Russian history.

Separatist rebels surround an estimated 7,000 Russian troops in Grozny.

Aug. 10—Parliament approves the reappointment of Prime Minister Viktor Chernomyrdin.

The Kremlin announces that Yeltsin's national security adviser, Aleksandr Lebed, will replace Oleg Lobov as the presidential envoy to Chechnya, where Russian forces and separatist rebels continue to battle for control of Grozny; the Russian military reports 118 deaths among its troops and 663 wounded while rebel sources say 1,000 Russian soldiers have been killed.

Aug. 12—At a news conference after meeting with rebel military leader Aslan Maskhadov in Chechnya, Lebed condemns the condition of Russian troops in the region and Moscow's "failed" efforts to resolve the crisis.

Aug. 13—The Russian government and Chechen separatist government announce a cease-fire set to begin August 14; fighting continues in Grozny.

Aug. 14—Russian military planes fire rockets on Chechen refugees fleeing Grozny at the outset of a cease-fire set to begin today; Russian military leaders based in Chechnya deny there was a cease-fire agreement.

Aug. 17—In Dagestan, 4 people, including Hamid Hamidov, the regional finance minister, are killed and 8 others wounded in a car bomb attack.

Aug. 21—The IMF disburses \$330 million to Russia as part of a 3-year, \$10.2 billion loan approved in February.

Aug. 22—In Novye Atagi, Lebed and Chechen military commander Aslan Maskhadov sign a peace agreement that provides for a cease-fire to begin August 23, the withdrawal of Russian forces from Grozny, the surrender of Chechen weapons, and the total withdrawal of Russian forces from the region.

In Moscow, a bomb explodes at the city's busiest synagogue; no one is injured; police have no suspects.

Aug. 27—Russian and Chechen military leaders sign an agreement to begin withdrawing their troops from Grozny by September 1; Lebed remains in Moscow, where Yeltsin declines to meet with him for the 3d consecutive day.

Aug. 28—Off Cape Nosappu, near the disputed Kurile Islands, 2 Japanese fishermen are wounded when Russian patrol boats fire on their fishing vessels; the Russian Pacific Coast Guard says its men had ordered the fishermen to leave the area several times.

Aug. 30—Lebed announces that he has reached an agreement with Chechen rebel leaders to pursue peace and postpone questions of Chechnya's republic status until Dec. 31, 2001; Chechen rebels and Russian troops continue to withdraw from Grozny.

SOMALIA

Aug. 1—Mohammed Farah Aidid, the self-proclaimed president of Somalia, dies of wounds sustained July 24; rival warlord Mohammed Ali Mahdi announces a cease-fire in an attempt to negotiate an end to fighting.

Aug. 8—Ethiopian troops seize control of the Gedo region of southwestern Somalia; Gedo is home to the Union of Islam, which has claimed responsibility for terrorist activities in Ethiopia.

Aug. 10—Renewed fighting in the village of Warmohan, 28 miles from the capital, kills at least 13 people, ending the cease-fire that followed the death of Mohammed Farah Aidid.

TURKEY

Aug. 12—Prime Minister Necmettin Erbakan signs a 23-year, \$23 billion natural gas agreement with Iran during a visit to Teheran; Erbakan, on his 1st foreign tour since coming to power in July, will continue on to Pakistan, Malaysia, and Indonesia.

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UNITED KINGDOM

Great Britain

Aug. 27—Seven Iraqis force a Sudan Airways jet they hijacked yesterday to fly to London; they demand to speak with a prominent Iraqi dissident living in London, then let the passengers go and surrender to police; the Iraqis apparently hope for political asylum in Britain.

UNITED STATES

Aug. 5—President Bill Clinton signs into law legislation that imposes sanctions on foreign firms that invest in the oil and gas industries of Libya or Iran.

Aug. 22—Clinton signs into law a welfare reform bill that ends the 60-year-old federal guarantee of aid to families with dependent children and curtails the food-stamp program. ■

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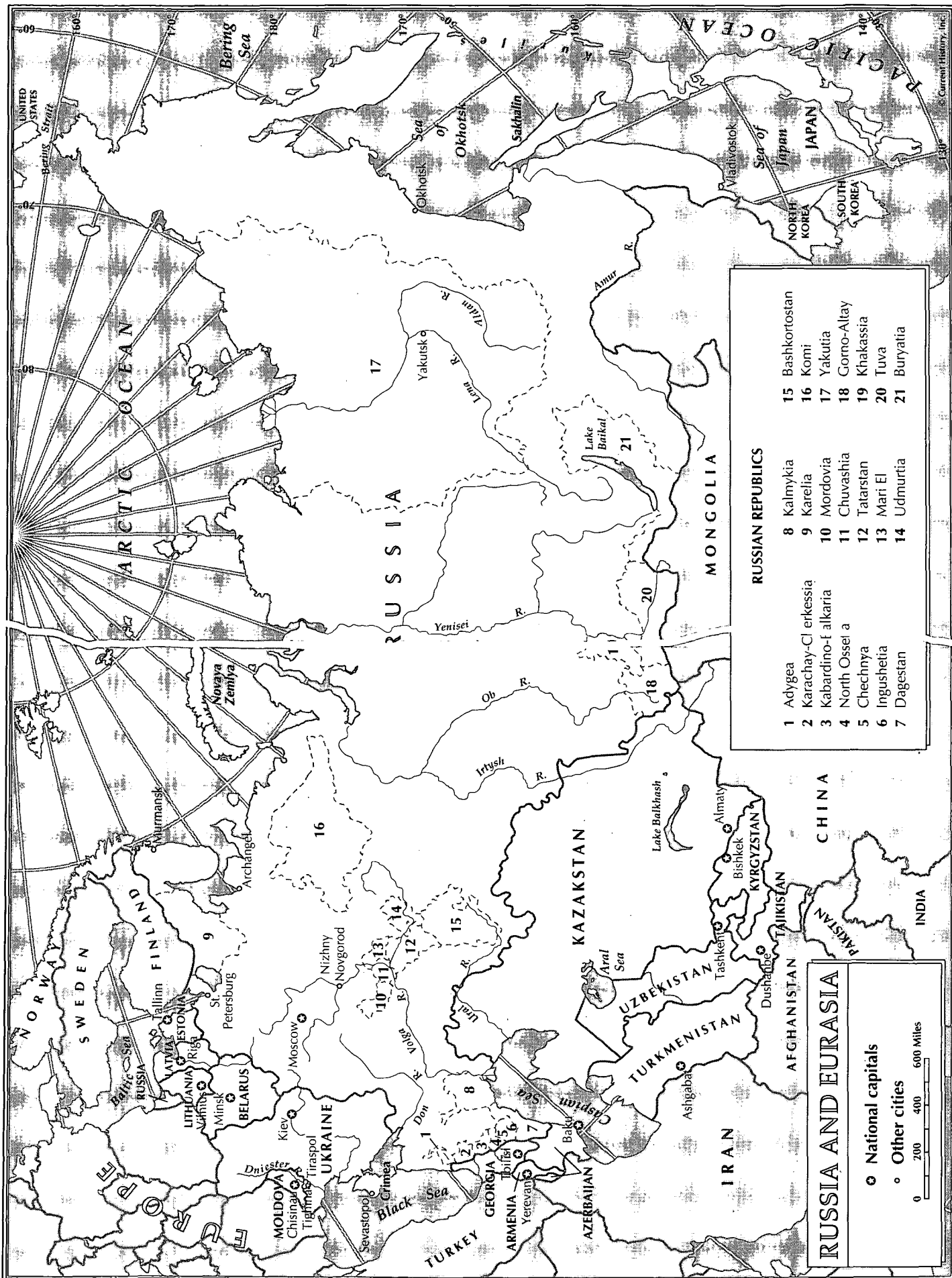
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